

FINANCIAL TIMES

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D-8523 F

Capital spending
set to fuel U.S.
economy, Page 4

NEWS SUMMARY

GENERAL

Lebanon peace summit called off

Lebanon's Government last night called off today's first meeting of the planned national reconciliation conference because more than half the politicians invited refused to meet at Beirut airport.

Among their reasons was the view that the venue was not safe. Four U.S. marines were injured when a car bomb exploded as a marine convoy passed in southern Beirut.

Two Israeli border police were killed in Sidon. Earlier story, Page 3

Grenada PM freed

Gunfire broke out in the Caribbean island Grenada after a crowd of 3,000 freed Premier Maurice Bishop from house arrest. Page 4

'Secret plans found'

French intelligence and Defence Ministry officials would not comment on a newspaper report that secret plans for new missiles to equip a nuclear submarine had been found on a Paris street.

Trouble in Sind

Opposition supporters say at least five people were killed and more than 60 wounded in a gun battle between villagers and security forces in Pakistan's troubled Sind province.

Basque killing

Spanish army captain kidnapped by Basque guerrillas two weeks ago was found dead outside Bilbao after the Government had refused a demand to release nine detainees and broadcast a statement condemning their trial.

Border police held

France arrested four Spanish police in Hendaye, one kilometre inside the French border, as they tried to seize a Spanish Basque separatist.

Korean spy arrests

Twelve South Koreans have been arrested on charges of spying for North Korea.

Thom to visit China

European Commission President Gaston Thorn is to pay an official visit to China from November 1-6. President Ronald Reagan will leave Washington for his six-day visit to Japan and South Korea on November 8.

More Nobel winners

Three more professors working in the U.S. were named as Nobel prize winners - Dr Henry Taube (chemistry), and Dr Subrahmanyan Chandrasekhar and Dr William Fowler (physics). Page 2

Tough ice battle

Fresh ice is sealing channels carved by icebreakers in the eastern Arctic, where four convoys totalling more than 40 Soviet ships have been trapped for three weeks.

Demotion legal

A former plant manager in Belgium who altered his identity card to give his profession as chauffeur to get a job was cleared of forgery by a Ghent court.

Briefly...

Australian cameraman was killed in Afghanistan during a Soviet raid on guerrillas.

Switzerland is to cut urban speed limit from 80 kph to 50 kph (30 mph) following trials showing a 10 per cent cut in accidents.

Tanzania rounded up 5,724 under a new law requiring all able-bodied people to work.

BUSINESS

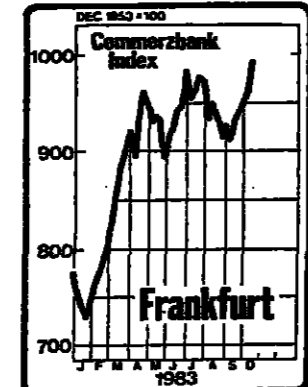
Elf to cut 4,000 jobs in France

ELF-AQUITAINE, the French state oil group, is to lay off 4,000 of its 60,000 workforce over the next four years. Page 22

DOLLAR rose. DM 2.5855 (DM2.5845), FF 7.905 (FF 7.903), and Y222.5 (Y222.25), and closed unchanged at SwFr 2.0995. Its Bank of England trade-weighted index was 125.9 up 0.3. Page 41

STERLING closed unchanged at \$1.5005, and improved to DM 3.8825 (DM 3.88), FF 11.86 (FF 11.855), SwFr 3.1525 (SwFr 3.15) and Y348.5 (Y348.5). Its trade weighting was logged unchanged at 53.3. Page 41

GOLD lost \$2.5 in London, closing at \$384.375. In Frankfurt it fell \$3.25 to \$384, and in Zurich it dropped \$3.25 to \$384.5. Page 40



FRANKFURT: Commerzbank index improved Tuesday's 23-year high by 2.5, closing at 922.2. Report Page 31. Leading prices, Page 34

LONDON: FT Industrial Ordinary index edged up 0.2 to 678.4. A few Government securities closed marginally lower. Report, Page 35. FT Share Information Service, Page 36-38.

WALL STREET: Dow Jones index closed down 4.06 at 1,246.75. Report, Page 31. Full share listings, Page 32-34

TOKYO: Nikkei Dow index dropped 68.26 to 9,280.8. Stock Exchange index fell 4.41 to 678.83. Report, Page 31. Leading prices, other exchanges, Page 34

AUSTRIA plans a net budget deficit of Sch 62.1bn (\$3.3bn), 4.9 per cent of the gross domestic product, in 1984.

ISRAEL will pull out of its economic crisis soon because it has a healthy economic base and proper measures are being adopted, said new Finance Minister Yigal Cohen-Orlag. Page 3

INDIA nationalised 13 of 50 Bombay textile mills that were hit by a strike. Page 24

PORTUGAL's letter of intent to the IMF says that in return for its \$467m standby loan it will cut spending to reduce its balance of payments current account deficit to \$2bn at the end of this year and \$1.25bn by 1984. Page 22

TURKEY and Iraq agreed to build a liquid petroleum gas pipeline by 1988 to carry 3m tonnes a year. Page 22

INTERNATIONAL Arbitration: Special report by A. H. Hermann on a historic meeting in Paris. Page 38

IRISH REPUBLIC passed emergency legislation providing for the state to appoint an administrator to run any insurance company in difficulties, following reports that a major motor insurer was in trouble.

COMPANIES

AMR, parent of American Airlines, reported third-quarter net earnings of \$100.7m, against \$17.8m a year ago. Page 23

IBM is to spend more than \$150m (\$91m) over five years setting up a plant to make personal computers in Australia at Warragamba, Victoria. Page 23

Successful Ariane launch boosts European space challenge

BY DAVID MARSH IN PARIS

EUROPEAN EFFORTS to challenge U.S. supremacy in space technology have been given a powerful new boost following yesterday's successful launching of the 11-nation Ariane rocket, placing a giant international communications satellite in orbit shortly after blasting off from French Guyana.

The lift-off, in the early hours of yesterday morning, was Ariane's fifth successful flight out of seven launches so far.

The French-led Ariane project, developed at a cost of \$1bn by the European Space Agency (ESA), was hit by frequent mishaps earlier in the programme. Following yesterday's Ariane launch, the first to car-

ry a fully commercial international satellite, Europe has now, however, succeeded in staking a firm place as a challenger in satellite launching to the U.S. space shuttle.

Arianespace, the French-dominated organisation set up to commercialise future Ariane flights, can now be expected to step up further efforts to win orders for satellite launching on the international market.

The organisation already has a firm order book worth FF 5.2bn for 25 satellite launches over the next few years. Half of its roughly one dozen clients come from outside Europe, including the leading U.S. sat-

ellite companies led by GTE Space-net. Arianespace expects to clinch another U.S. order before the end of the year.

Disturbed by the failure of Ariane's fifth launch in September 1982 (the sixth one in June was also a success), some potential international customers have been holding back from granting orders. Now, Arianespace will be redoubling efforts to convince them that the space rocket is a commercial success.

Ariane yesterday placed into orbit a satellite owned by the Washington-based Intelsat organisation, which has run international satel-

lite communications since the first Early Bird was put up over the Atlantic in 1965.

Intelsat, run by over 100 nations but dominated by the U.S. with a 24 per cent voting stake, has also opted for Ariane to launch two more satellites of the Intelsat V class, probably in December and February. Ariane now stands to win orders for launching the next Intelsat VI class.

The lift-off took place at 0.45 am GMT, about an hour later than originally planned after a last-minute hitch in the countdown sequence.

The French Government, in particular, was yesterday making

no efforts to hide its pleasure at the successful launch. At the ESA headquarters in Paris - where champagne flowed following the previous successful launch in June - official said no corks were popping yesterday as the agency hoped a successful launch would now become a matter of routine.

Yesterday's launch comes at a time when the U.S. space shuttle - which has performed almost perfectly in its satellite missions so far - is itself encountering technical hitches. The shuttle's planned launch of Europe's Spacelab scientific laboratory, previously scheduled for the end of this month, has been put back by several months,

because of problems with the U.S. launcher.

M Louis Mexandean, the French Posts and Telecommunications Minister said the success represented a milestone in Ariane's development.

M Frédéric d'Allest, director general of ESA, added that Europe agency, said the launch provided the justification for seven costly years of efforts to stake out Europe's claim in space.

M Eric Quitsgard, the director general of ESA, added that Europe was now firmly the "third power" in space after the U.S. and the Soviet Union.

Creusot and Rolls in talks on European gas turbine venture

BY DAVID HOUSEGO IN PARIS AND IAN RODGER IN LONDON

CREUSOT-LOIRE, the leading French engineering group, and Rolls-Royce, the UK engine manufacturer, are discussing a joint venture to supply gas turbine-driven equipment using totally European technology.

The impetus for the discussions came last year when sales of European-made but U.S.-designed gas turbines and compressors for the Soviet gas pipeline were threatened by a U.S. Government embargo on U.S. equipment destined for the pipeline project.

The embargo was subsequently lifted, and the equipment is being delivered.

The French and British Governments were embarrassed by the embargo, and they have encouraged the Creusot-Rolls discussions.

British officials confirmed that the subject would be raised at the meetings today and tomorrow in London between France's President Francois Mitterrand and the British Prime Minister, Mrs Margaret Thatcher.

Officials insisted, however, that the governments were not negotiating on behalf of the companies.

Both Creusot and Rolls said the discussion had begun last year at the height of the embargo controversy, but they would not indicate the sort of deal about which they were talking, nor the state of negotiations.

It appears, however, that there is no great urgency, as the markets for gas turbine-driven equipment are depressed.

Rolls, although best known as an aero-engine manufacturer, is also

among the top 10 world suppliers of gas turbines for powering naval ships, driving pumps and compressors and generating electricity.

Marine and industrial markets account for more than 10 per cent of Rolls's sales.

Creusot, France's largest private-sector heavy manufacturing group, could provide the compressors, pumps and electric power generating equipment in any arrangement with Rolls.

The possibility of another Soviet gas pipeline project in a few years' time suggests that a turbine-compressor link between the two companies might be the most useful.

Industrial collaboration deals of this kind are seen by both the French and British Governments as

Continued on Page 22

Allianz finally launches full bid for Eagle Star

BY ERIC SHORT IN LONDON

ALLIANZ Versicherung, West Germany's largest insurance group, yesterday made its long-awaited bid for the UK composite insurance company Eagle Star Holdings.

The group is offering 500p in cash for each Eagle Star share, having built up its holding from 27.8 per cent to 29.89 per cent through a dawn raid by its stockbrokers, Rowe and Pitman. This values Eagle Star at \$692m (\$1.04bn).

The immediate reaction of Sir Denis Mountain, chairman chief executive of Eagle Star, was that the offer was "derisory." He accused Allianz of trying to gain control of Eagle Star's £3.5bn of funds on the cheap.

The bid is far from straightforward. Allianz has been seeking, without success, to expand its hold-

ing in Eagle Star to 40 per cent. The UK Takeover Panel rules prevent a partial offer unless the terms are agreed by the defending company's board.

The statement of the bid from Allianz's advisers, Morgan Grenfell explained how the bid was effectively a partial one. But it took some time for that to be conveyed to the London Stock Market.

During that short period, the share price moved from 500p to 540p before falling back and closing the day at 522p.

Allianz first acquired its stake in Eagle Star in June 1981 as part of its strategy of diversifying its insurance operations worldwide.

Its initial 27.8 per cent holding was felt sufficient to give it a strong presence in the London insurance

market - one of the world's leading insurance centres.

But it felt that the two groups could co-operate in their existing overseas operations and combine in entering new markets.

Talks between the two companies, while cordial, have been fruitless. Allianz has failed to get even two seats on Eagle Star's board except under terms that it regarded as too onerous and unacceptable.

So it is hoping to break the current deadlock by increasing its stake in Eagle Star.

But Allianz emphasises that it wants Eagle Star to remain a British insurance company, with the majority of the board of British nationality, with a continued London share quotation.

Lex, Page 22; details, Page 28

AT&T earnings down 28%

BY PAUL TAYLOR IN NEW YORK

AMERICAN Telephone and Telegraph (AT&T), the giant U.S. telecommunications group, announced yesterday that its earnings fell 28 per cent in third quarter earnings. The company also announced plans for a \$5.26bn divestiture-related charge in the fourth quarter.

AT&T which is just days away from completing the biggest breakup in corporate history, said its third quarter earnings fell to \$1.46bn or \$1.51 a share from \$2.02bn or \$2.32 a share in the same period last year.

Mr Charles Brown, AT&T chairman, maintained that the sharply lower earnings "do not constitute a trend but rather are the products of cross currents in the economy, in our operations and in our efforts to

ready the Bell System for divestiture."

Nevertheless the announcement, which was made after AT&T shares were suspended on the New York Stock Exchange, sent share prices plunging. After the announcement, AT&T shares were being quoted as low as \$58 compared with \$83 before the suspension and \$64 at the close on Tuesday.

The earnings announcement was the second blow for AT&T within 24 hours. Late on Wednesday the Federal Communications Commission (FCC) announced that it was delaying a crucial element in the breakup plan which would have imposed "access charges" on local telephone users as a step towards removing the historical subsidy of local services by interstate long distance telephone charges.

The FCC's decision to delay the introduction of the planned \$2 a month charge on residential telephones and up to \$6 a month on business lines - means AT&T will not be able to reduce its long distance charges as planned from January 1 - an important step if the new AT&T is to compete effectively with its new cheap rate competitors like GTE and MCI in the long distance telephone market.

The FCC's decision, which followed mounting political opposition to the new consumer charges in Congress, has thrown the whole question of the repricing of telephone charges in the U.S. to reflect cost into question and added a major new element of uncertainty into the already complex divestiture plans.

Market report, Page 31

CONTENTS

Europe	23	Eurobonds	42
Companies	23	Euro-options	35
America	4	Financial Futures	41
Companies	23	Gold	40
Overseas	3	Int. Capital Markets	42
Companies	24	Letters	21
World Trade	4	Lex	22
Britain	6, 9	Lombard	21
Companies	25-30	Management	23
Agriculture	40	Market Movers	31
Appointments advertising	10-17	Men and Matters	29
Arts - Reviews	18	Mining	30
World Guide	38	Money Markets	41
Business Law	38	Raw materials	40
Commodities	40	Stock markets - Bourses	31, 34
Currencies	41	- Wall Street	31-34
Editorial comment	20	- London	31, 35-38
		Technology	19
		Unit Trusts	38, 39
		Weather	22

UK deposit market: it's a battlefield	20	Editorial comment: British political party funds	20
Economic Viewpoint: demand management	21	Lombard: UK public spending rituals	21
Soviet Union: why Japanese fear a humiliated Moscow	3	Lex: Eagle Star; Hawker Siddeley; BHS	22
EEC: price-fixing probe upsets plastics makers	4	Management: the power of radio advertising	25
Technology: U.S. experience of cellular radio	19	Motor industry: Survey	Section IV

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OVERSEAS NEWS

UK and China tackle sovereignty issue in Hong Kong talks

BY ALAIN CASS, ASIA EDITOR, IN HONG KONG

BRITAIN AND CHINA yesterday tackled the thorny issue of Hong Kong's sovereignty, a question that China has previously insisted was not negotiable.

In the fifth round of discussions in Peking yesterday between the UK and China over the future of the colony, Britain is believed to have reiterated that, in effect, sovereignty would be negotiable in return for administrative arrangements which guaranteed Hong Kong's prosperity.

The British negotiating team, led by Sir Percy Cradock, Britain's Ambassador to Peking, presented its Chinese counterparts with a letter from Mrs Margaret Thatcher, the British Prime Minister, in which she is understood to have made a plea for greater flexibility in the deadlocked talks.

China has been insisting that Britain concede sovereignty over the entire territory before the two sides discuss practical arrangements for its administration after 1997.

That is when the lease on the New Territories and much of the Kowloon peninsula runs out. Hong Kong Island was ceded to Britain in perpetuity in a 19th century treaty which China disputes.

It is being emphasised that there is no question of Britain capitulating over China's demands, but there has clearly been a shift in the UK's position.

Hardliner says Israel will emerge from crisis

BY DAVID LENNON IN TEL AVIV

ISRAEL will emerge from its economic crisis soon because it has a healthy economic base and the proper measures are being adopted, Mr Yigal Cohen-Orgad, the new Finance Minister told the Knesset (Parliament) yesterday when it debated three no-confidence motions tabled by the opposition.

The nine-day-old Government of Mr Yitzhak Shamir defeated by a vote of 61 to 54 the motion criticising the economic policy pursued for the past two years by the Likud under its previous leader Mr Menahem Begin.

Mr Cohen-Orgad said that there would be cuts in the government budget, public demand would be curbed and the standard of living would not be allowed to rise.

The Minister, who was making his first address to the Knesset, promised to make every effort to reduce imports and private consumption and to revive exports.

With the main thrust of his policies aimed at renewing growth within the economy, the Minister said that he believed it would be possible to reduce the balance of payments deficit by half.

Lebanon peace talks still set for today

By Nora Soutany in Beirut

THE Lebanese Government apparently remained determined to start full-scale peace talks today despite the rejection by key opposition leaders of the proposed airport venue and continued fighting in Beirut's suburbs.

The Government emphasised after a Cabinet meeting that it planned to keep to its 11 am target for the start of the negotiations, but made no mention of a venue, implying that the site could still be changed.

The opposition ruled out Beirut International Airport on security grounds. These fears were highlighted yesterday by continued ceasefire violations involving fierce battles with mortars and rockets between the Lebanese Army and Syrian-backed Muslim forces.

The fighting was reported to be concentrated on the mountain ridge between the towns of Aley and Souk al-Gharb, where the Army last month repelled repeated attacks by Muslim militias.

Meanwhile, Beirut Radio reported that a U.S. marine was wounded when a car bomb exploded as a patrol drove past the southern approaches to Beirut. There are 1,600 marines stationed in Lebanon, mainly at the airport, as part of a multinational peace-keeping force.

Political analysts in Beirut have questioned the earnestness of all sides concerned to sit down and proceed with the national debate.

While the opposition, bent on gaining concessions from a regime based on a Christian minority, does not seem ready for the talks, the Lebanese Government is worried about keeping them within a "constitutional framework."

To the right-wing Christians, who will have to give up some of their power to a now larger Muslim community, the dialogue would not be a free one. The opinion of hardliners in that camp is that discussions will be held under Syria's boot because of its armed presence and wide influence with local allies.

Anthony Robinson reports on the Soviet Union's obsession with its U.S. relations

Why the Japanese fear a humiliated Moscow

Tokyo tax proposal rejected

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S opposition parties yesterday rejected as "unsatisfactory" a proposal by the ruling Liberal Democratic Party (LDP) to cut income and residential taxes by ¥12,000m (£2.4bn) over 1983 and 1984.

Failure to win the approval of the opposition means that Japan's political life remains in a state of paralysis.

The LDP was promoting its tax measures to try to end the opposition back into the Diet (Parliament), where proceedings have been held up since former Prime Minister Kakuei Tanaka was found guilty in the Lockheed bribery case last week.

Nevertheless, Mr Susumu Nakai, the LDP Secretary-General, said the Govern-

ment still hopes to present a Bill to the Diet before the end of the month to deal with the portion of the tax cuts relating to this year.

The Government also plans to go ahead with the announcement on Friday of a series of measures designed to boost domestic economic activity and increase imports.

A Foreign Ministry spokesman said yesterday that a decision had been taken to announce the economic package regardless of the situation in the Diet.

The package will feature tariff cuts and measures to stimulate an increased inflow of capital to Japan as a boost to domestic production.

Sensitive to this new mood, and anxious not to be caught off

balance by a softening of the mood in Washington, there had been no repetition of Prime Minister Yasuhiro Nakasone's controversial definition of Japan as an "unsinkable aircraft carrier."

Genuine, if muted, hope was in the air that progress in East-West relations generally would allow Japan to match its greatly improved relations with China by limited progress in relations with its other great neighbour as well.

There is little trace of that optimism now. It has been partially replaced by apprehension about the longer-term consequences of what the Soviet Union clearly sees as a bitter humiliation at the hands of the U.S. over the airline incident, on a par perhaps with its humili-

ation over Cuba in 1962.

The Soviet reaction to the airline incident has reinforced the views of Japanese officials here that the Soviet Union is, and will remain, obsessed by its relations with the U.S. and that its relations with all other countries, including Japan, China and EEC countries, are conducted primarily with an eye to the effect that these will have on Soviet relations with the U.S.

For Japan, a country long accustomed to being considered as an economic giant but a political pygmy, this Soviet obsession with the U.S. is seen as both unhealthy and somewhat insulting.

It would like to see the Soviet Union pay more attention to its bilateral relations with Japan for their own sake, rather than as a shadow game aimed at in-

fluencing Washington. For a

start, this might improve the long-term chances of Soviet reconsideration on the future of the four northern islands, remote as this chance appears at present, as well as leading to a more realistic assessment of Japanese economic strengths and Japan's potential role in the development of Eastern Siberia.

In order to be taken more seriously by the Soviet Union and to have greater sensitivity shown to Japanese national interests, Japanese diplomats list five pre-conditions. These are: unity of Japanese political opinion, stable relations with Washington, a willingness to use economic relations as a lever, strengthening of Japanese military potential to a "minimum deterrence" level, and, finally, the development of

Japanese diplomatic strength in Asia. It is the fourth factor which is fraught with the greatest domestic and international complications.

Mr Nakasone's concept of Japan as an "unsinkable aircraft carrier," the doctrine of Japanese defence of the sea lanes over a thousand-mile radius and the expected breach of the 1 per cent of GNP limit on defence spending have all created a considerable degree of misgiving.

But the arguments of those who maintain that the Soviet Union judges other countries' importance ultimately by the weight of their military hardware have been strengthened in recent years by the Soviet invasion of Afghanistan, the military crackdown in Poland and latterly the shooting down of the Korean aircraft. Significantly, the U.S. nuclear powered aircraft carrier Carl Vinson sailed into Sasebo harbour recently to only token protests.

The Soviet press has sharply attacked what it describes as the rising tide of militarism in Japan and the authorities are prepared for a further escalation of a hostile propaganda campaign in future. If that is the price to pay for forcing the Soviet Union to pay more attention to Japanese interests and sensitivities, it is one which some sections of Japanese official thinking seem prepared to accept.

Any foreseeable increase in Japanese military spending, however, is likely to pale into relative insignificance beside the steady build-up of Soviet strategic, naval and air might in the Sea of Okhotsk area.

Sikh leaders accuse Mrs Gandhi

BY JOHN ELLIOTT IN AMRITSAR

SIKH LEADERS have obliquely accused the Indian Government both of provoking Sikh violence in the Punjab and of "organising some of the worst terrorist activities" to blacken the Sikh community's reputation.

The underlying threats of unrest are clear and harsh. But they contrast sharply with the relaxed atmosphere in Amritsar, centre of the Sikh religion.

Police shipped in during the past few weeks seem to have little to do. The calm is fragile, however. But Sant Jarnail Singh Bhindranwala, the extremist leader who cannot leave the

temple surroundings without risking arrest, refuses to utter some of the more militant threats for which he is well known.

Sant Harchand Singh Longowal, the more moderate President of the Akali Dal, the Sikh party, says: "The Akali Dal is committed to peaceful means, but if the Government's present plans to persecute the Sikhs continue, then we cannot say what will happen."

Both leaders condemn the recent imposition of central government rule in the Punjab. They accuse Mrs Indira Gandhi,

the Prime Minister, of whipping up violence to win support from the majority Hindu community.

"To vilify us in the eyes of the people, the Government is engaging in these acts through their own agents," Longowal says.

Lawyers in Lahore, Pakistan, are to start a hunger strike this week in protest against the arrest of 12 of their number by the régime of Gen Zia ul-Haq.

Yesterday, about 500 lawyers were locked inside court premises to prevent a protest march.

Australian concern over exchange rate moves

BY MICHAEL THOMPSON-NOEL IN SYDNEY

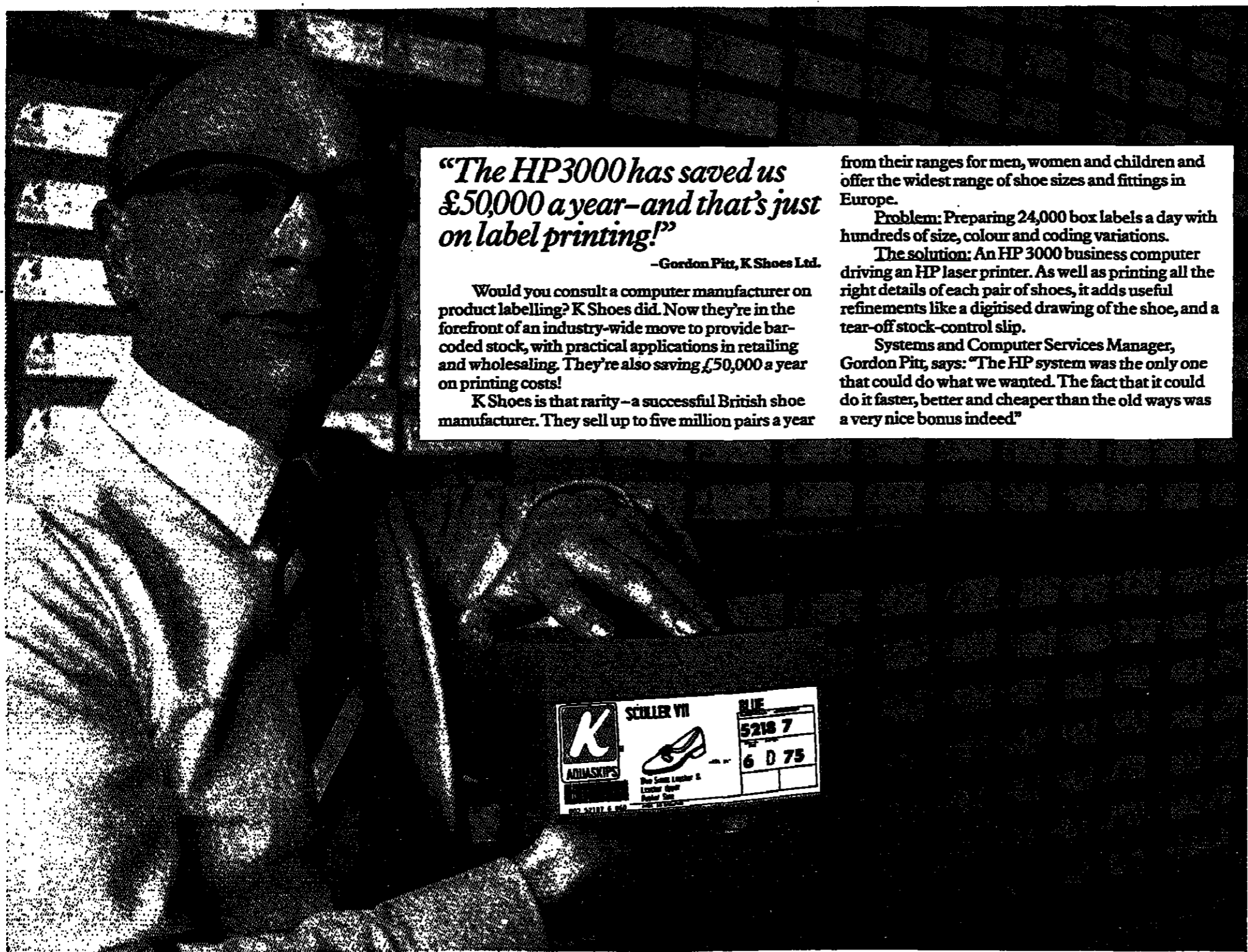
AUSTRALIA'S powerful farm and mining lobbies voiced concern yesterday at the Government's recent upward manipulation of the Australian dollar exchange rate, claiming that the currency's re-appreciation was likely to harm export prospects.

On a trade-weighted basis, the Australian dollar has now regained its level of last March 7, immediately before the then newly-elected Labour Government devalued it by 10 per cent to combat a run on the dollar which had sent interest rates

soaring. However, the Government is faced with large-scale speculative inflows of capital. Given a weakening U.S. dollar, and its wish to control money supply growth, it has aggressively revalued the local dollar recently.

Mr Michael Davidson, president of the National Farmers' Federation, said yesterday that the Government was jeopardising export prospects by using exchange rate adjustment as its "sole weapon" to combat speculative inflows of capital.

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—Gordon Pitt, K Shoes Ltd.

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The solution: An HP 3000 business computer driving an HP laser printer. As well as printing all the right details of each pair of shoes, it adds useful refinements like a digitised drawing of the shoe, and a tear-off stock-control slip.

Systems and Computer Services Manager, Gordon Pitt, says: "The HP system was the only one that could do what we wanted. The fact that it could do it faster, better and cheaper than the old ways was a very nice bonus indeed."

Size: Among the top 500 UK companies. Turnover: £168m. Current growth rate: 42% p.a. UK employees: 2,400. 1982 capital expenditure: £8.8m. *AS QUOTED IN NEW LETT-PACKARD LIMITED 1982 REPORT AND ACCOUNTS.

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Size: Among the top 500 UK companies. Turnover: £168m. Current growth rate: 42% p.a. UK employees: 2,400. 1982 capital expenditure: £8.8m.

*AS QUOTED IN NEW LETT-PACKARD LIMITED 1982 REPORT AND ACCOUNTS.

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AMERICAN NEWS

Climate warming rapidly, EPA report concludes

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE WORLD is rapidly getting warmer, with major consequences for life on earth, and there is little that can be done to stop it. The global temperature is likely to rise by about one degree Fahrenheit in the next 20 years, 3.6 degrees by 2040 and perhaps by nine degrees (five degrees centigrade) by 2100, according to a report just published by the U.S. Environmental Protection Agency.

While private scientists have made similar predictions for years, the report is the first official warning by the U.S. Government.

The massive change in the world's climate will spread tropical temperatures much further from the equator, raise sea levels by melting polar ice, produce more rainfall and drought in some areas and the agency says. New York City could have a climate like Daytona Beach, Florida, by 2100, and the sea level in Charleston, South Carolina, would probably rise by four to seven feet.

The phenomenon, known as the "greenhouse effect," is created by the pumping of more and more carbon dioxide into the atmosphere by burning fossil fuels such as coal and

Kissinger team fails to dispel scepticism

By Robert Graham

THE VISIT by the U.S. bipartisan commission on Central America to the region has failed to dispel scepticism about the potential of the initiative to ease tensions. The week-long visit, which ended last Sunday, was the Commission's first since it was formed in July.

The main role of the commission, headed by former Secretary of State Dr Henry Kissinger, is to formulate long-term policy for Central America with a special emphasis on U.S. economic assistance. However, it was widely regarded at the time to be no more than a public relations exercise to deflect public criticism of President Ronald Reagan's increasingly interventionist policies in the region.

Dr Kissinger reportedly had misgivings about taking the mission because he had no previous experience of Central America and was publicly dismissive during his term of office of the region's political significance. Before sailing forth from Washington, Dr Kissinger carried out lengthy consultations with congressional experts, leading political figures from Central America, and independent analysts.

However, the overriding impression of those covering Dr Kissinger's visit was the apparent naivety and lack of knowledge of commission members. For instance, they were understood to have been appalled by the open admission in El Salvador that the right-wing death squads assassinating civilians, prominent labour leaders and political figures were aided by members of the armed forces.

The basic difficulty of the commission's brief is that it is being asked to provide long-term policies, drafted on a highly volatile and uncertain immediate situation.

Swiss 'positive' on Brazil loan request

SWITZERLAND'S "big three" banks have taken a positive stance towards Brazil's request for a \$6.5bn (\$4.3bn) loan and the reshuffling of more than \$5bn in debt falling due next year, according to Dr Fritz Leutwiler, President of the country's central bank, Our Foreign Staff reports.

Stewart Fleming describes a turnaround in the way Wall Street is financing industry

Capital spending set to fuel U.S. economy



Dr Henry Kaufman... sees a marked improvement

A STRIKING turnaround in the role of the stock market in financing U.S. industry is one of the factors contributing to growing optimism about the contribution which capital investment may make to the performance of the economy next year.

New equity issues are running at an annual rate of \$40bn this year according to Dr Henry Kaufman, chief economist at Salomon Brothers in New York. "This will be the first year since 1966 that additions to corporate equity will exceed additions to debt," he adds, pointing out that so far in 1983, while the average monthly volume of public corporate bond issues has been running at \$3.7bn, equity issues have been running at \$3.9bn per month. In 1980 the figures were \$3.2bn for bond issues and \$1.6bn for equity issues.

Concern about the rate of capital formation is one of the main themes of debate among economists in the U.S. Their fears range from general concern about the impact of budget deficits and associated high real interest rates in "crowding out" capital spending later in the economic cycle to specific worries about the flow of capital to old industries such as steel and to corporations on the frontiers of modern technology.

Anxieties on the latter score help to explain the continuing debate about the possible role which an "industrial policy" could have in promoting the competitive capacity of American industry.

In addition to these longer term fears, however, there is a broad consensus that after three successive years of declining non-residential fixed investment — the economic forecasting firm

of Data Resources Inc (DRI) for example is predicting a modest 1 per cent decline for 1983 — next year will see a strong upsurge in new investment.

DRI projects a rise of 7.8 per cent and 7.5 per cent in real terms in 1984 and 1985. These

forecasts take account of the continuing sluggishness of corporate construction spending. Equipment spending alone is projected to rise more rapidly at 9.6 per cent and 7.9 per cent respectively.

Even within the capital equipment spending category there have been divergent trends. Continental Bank, in its most recent economic report, points out that while spending for heavy industrial and construction equipment has turned up recently it remains very weak. In contrast the bank notes "a strong underlying growth trend in purchases of high technology equipment," which it suggests reflects the growing bias of the economy towards the service sector and this sector's heavy investment in advanced electronics.

Dr Kaufman of Salomon Brothers singles out the marked improvement which is taking place in corporate balance sheets as one factor behind the improving cyclical outlook for capital spending. "We have ended the period of corporate quality deterioration," he says, referring to the period through

Annual rates of change in real U.S. capital spending					
	1981	1982	1983*	1984*	1985*
Gross national product	1.9	-1.9	3.3	5.3	3.2
Non-residential fixed investment	3.5	-4.7	-1.6	7.9	7.5
of which: equipment	2.4	-7.5	2.2	9.6	2.9
non-res. construction	4.3	1.8	-7.9	3.7	4.5
Residential fixed investment	-4.9	-15.3	41.4	9.5	1.8

* Forecasts

Source: Data Resources Inc.

the 1970's and early years of this decade, when company balance sheets weakened under the impact of mushrooming debt and sluggish profits growth.

He cites net repayment of short term debt of around \$2.5bn in the first nine months of this year compared with net accumulation of \$20bn in the same period of 1982, the current strong rise in corporate profits and the modest level of new long-term corporate bond issues as factors contributing to the improvement in corporate finances.

The pace of the economic upswing has also affected capital spending plans by forcing business executives to revise their expectations about the speed of any rise in capacity utilisation. The Federal

Reserve Board reported this week that capacity utilisation in manufacturing industry, utilities and mines hit a seasonally adjusted 78.1 per cent, sharply up from 71.1 per cent a year ago.

Unless the economy were suddenly to run out of steam, and at the moment this seems unlikely given the strong third quarter growth and expectations of 4.5 per cent real growth in 1984, capacity utilisation levels are likely to continue to rise steadily, adding to incentives for new investment. Such a development would be welcomed by economists who have been uneasy about the fact that the first phase of the economic recovery this year was fuelled by a rise in home building, which in 1983 could be 40 per cent up on its 1982 level, and consumer durable lending.

This concern, and the fear that high real interest rates could choke off capital spending, have eased considerably. Data Resources, in its forecast for capital spending next year, assumes no significant reduction in interest rates. But it does believe that rates will remain relatively stable, which contrasts with the three years up to 1982, when rates were volatile as well as high in real terms, and were one of the factors in the capital investment downturn.

Personal income, spending up

PERSONAL income and consumer spending in the U.S. rose strongly in September, reinforcing expectations that when the Commerce Department reports third quarter gross national product figures today, they will be close to the 7 per cent real annual rate reported in the preliminary "flash" estimate released last month.

The Commerce Department said yesterday that in September personal income surged 1.5 per cent, the strongest growth for five months and sharply higher than the 0.2 per cent rise in August. August's weak figures were both a long tale in phone industry strike and the effects of a hurricane in Texas. Taking these factors into account falling unemployment and lengthening

working hours meant personal income recovered. This recovery, and the boost in car sales, fed through into personal spending (a broader measure of consumer activity than retail sales) which jumped 1.5 per cent in September, also the strongest upturn for five months and an indication that spending on services as well as on goods rose last month.

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Crowd 'frees Grenada's PM from house arrest'

BRIDGETOWN — A crowd of about 3,000 people freed Grenada's Prime Minister, Mr Maurice Bishop, from house arrest yesterday, according to a correspondent for the Caribbean News Agency in the Grenadian capital, St George's.

The correspondent said the crowd, meeting only token resistance, stormed the house where Mr Bishop had been held for about a week and freed him. They then marched through the streets to the central square, where Mr Bishop was to speak.

Mr Bishop had been in political limbo for almost a week since hard-line members of the ruling New Jewel Movement Central Committee accused him of defying the

collective will of the party. Mr Bishop, 39, was a co-founder of the movement about 10 years ago and led it in a 1979 coup against Prime Minister Eric Gairy.

Earlier, a relative of Mr George Louison, the former Barbados-based Caribbean News Agency by telephone, that Mr Louison had been arrested. Mr Louison was one of at least four pro-Bishop Cabinet Ministers who resigned on Tuesday.

The official Radio Free Grenada said talks aimed at reconciling differences between Mr Bishop and members of the central committee were continuing. Central Committee members accused him of defying the

Space shuttle mission could be delayed until 1984

BY WILLIAM HALL IN NEW YORK

THERE IS a growing likelihood that the first mission of the \$1bn European space lab will be delayed by at least a month to November and is even considering a February launch.

There are good scientific reasons for delaying the launch until next year, but the cost of the delay will be heavy, since the European countries involved are having to keep dozens of their scientists and technicians waiting at the

operational responsibility for the launch and conduct of the mission, said this week that the launch date has been delayed by at least a month to November and is even considering a February launch.

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Leaders of European shipyards attack S. Korea's ambitions

BY ANDREW FISHER, SHIPPING CORRESPONDENT

EUROPEAN shipbuilders yesterday hit back strongly at the assertion by a South Korean shipbuilding executive that his country intended to become the world leader in the industry, overtaking Japan.

"I can't believe that the West will stand idly by and see their shipbuilding industries destroyed," said Mr John Parker, chairman of Belfast shipyard Harland and Wolff and former deputy chief executive of British Shipbuilders.

He was responding to a speech on Tuesday night by Mr Hong In-Kie, president of Daewoo Shipbuilding and Heavy Machinery.

Mr Hong said at a dinner held by the International Maritime Industries Forum (IMIF) that Korea aimed to assume "a leadership role in the world's shipbuilding industry." It currently has 12 per cent of world orders against nearly 40 per cent for Japan.

In his speech, Mr Hong added that advanced industrialised countries should leave industries like shipbuilding to nations which were building up their economies.

Mr Parker told yesterday's full meeting of the IMIF that if Korea's "predatory pricing policies" — building ships for no more than the cost of the materials — continued, then "many European shipbuilding yards face extinction, and soon."

"There is no case for any shipbuilding capacity expansion in this decade," he added. Harland and Wolff itself recently lost a Shell order for three tankers to Korea.

The 80,000 deadweight ton ships will be built for \$31m each, which Mr Parker said only covered Harland's material costs. The Belfast yard's price was nearer \$40m.

His comments were echoed by Herr Henner Meckel, the managing director of Bremer Vulkan in West Germany. Other companies involved in the shipbuilding supply and equipment chain would suffer if the industry collapsed, he commented.

The Koreans were not expected to pursue their shipbuilding activities just for commercial reasons, he said, but for a strategic industrial purpose and also at a depressed time for the industry.

"Europe has to think whether it wants to stay in shipbuilding at all," he added. Like Mr Parker, he thought governments would have to provide more financial support for their yards if Korea continued its shipbuilding ambitions.

To overtake Japan, said Mr Parker, the South Korean yards like Daewoo and Hyundai would collectively have to obtain more than 25 per cent of the world market.

E. Germany places first ship order with Spain

BY DAVID WHITE IN MADRID

SPAIN'S state-owned shipyards have received their first new order for merchant vessels this year with a Pta 7.3bn (\$32m) deal to build four container vessels for East Germany.

The deal, which includes options for four more small vessels of the same type, is believed to be the largest ship order East Germany has placed in a non-Communist country, and is the first it has ever placed in Spain, according to an industry official.

The contract signed by Julia Construcciones Gijonesas, a subsidiary of the main state group Astilleros Espanoles, was won against competition from South

Carla Rapoport reports on the loss-making European petrochemical industry

Why the EEC probe upsets plastics makers

IN CONFERENCE halls from Monte Carlo to Venice, the leaders of Europe's chemical industry over the past few weeks have been clamouring for deeper cuts in petrochemical production capacity and an end to cut-throat price competition.

Even as these speeches were being read, however, offices across Europe were being raided by European Commission investigators who believe the industry may be colluding on the price of a major petrochemical — polypropylene.

The accusation has hit the industry like a blow to the solar plexus. The price of the solar plexus of the industry has been the leaders of the industry have been stating that there troubles cannot be sorted out by any Commission-managed, cartel-type agreement shutting down capacity.

British companies, such as ICI and BP Chemicals, and the West German chemical groups have staunchly supported the view that individual companies must make the necessary pro-

PRICES FOR RAFFIA GRADE POLYPROPYLENE		
	DM per kg	
Sept. 79	2.10	
Sept. 80	2.30	
Sept. 81	2.21	
Sept. 82	1.8	
Sept. 83	2.21	

duction cuts to ensure future profitability for the industry. Many have argued that a number of groups could go out of business in the next year or two if these cutbacks are not achieved.

On pricing, the words have been even stronger. Sig Italo Trapasso, an executive vice-president of Enichem, the large state-owned Italian group, told a conference of his peers earlier this week that the depressed levels of chemical prices in Europe were evidence of a "monopolistic tendency" on the part of the companies.

"The lack of pricing management has been one of the principal reasons for the mas-

sive petrochemical losses in Western Europe since 1980," said Sig Trapasso in his speech to the European Chemical Manufacturers Association in Venice on Monday. These losses were estimated at more than \$2bn last year.

The large level of losses in all areas of thermoplastics, including polypropylene, has made the Commission's accusations all the more surprising to Europe's major chemical companies.

The Commission would not comment officially on the investigation yesterday, but would state that the matter of profit or loss does not concern the competition authorities. "We are only concerned with practices in the marketplace," said one EEC executive involved in monitoring industrial competition.

As the table shows, current polypropylene prices are about level with the product's price four years ago, with no adjustment for inflation. With prices now at around DM 2 to DM 2.1

(51p to 54p) per kilo, industry executives say they need a price of at least DM 2.3 per kilo in order to provide the first reasonable return on their investment in at least three years.

The position of polypropylene — a plastic which is used to make a wide variety of industrial and domestic products such as bottle caps, cable wrap and nappy liners — has improved markedly in the last few months, however, compared to other thermoplastics.

European polypropylene capacity is now around 2.15m tonnes per year. A pick-up in overseas demand for the product, largely because of the strength of the dollar, is expected to increase exports this year to 400,000 tonnes. Domestic European demand is projected to be 1.6m tonnes.

"This makes a fairly tight supply/demand picture," said one chemical company official yesterday. "It's a welcome change for us and, yes, price increases seem to be sticking because of it."

On the possibility of collusion on these price increases, the chemical companies refused to make any official comment. Shell, with about 11 per cent of the European polypropylene product, for example, would only confirm its offices had been visited by EEC investigators.

The world-wide market leader in polypropylene is a newly formed joint-venture between Montedison of Italy and Hercules of the U.S.

It will begin life officially next month under the name of Himont. This new group will have about 22 per cent of the world market for the product. Officials at Montedison and Hercules, like their counterparts at other groups, registered great surprise when first told of the EEC investigation.

"If there is any collusion, it seems to be one of agreeing to lose money," commented one chemical industry official. The official, like others in the industry, confirm that the allegations will be fiercely contested.

Algeria relaxes rules on foreigners' remittances

BY FRANCIS GHILES

THE ALGERIAN authorities have relaxed measures announced last April which blocked foreign nationals on contract to Algerian industries and state companies for more than five years from remitting most of their salaries back home.

However, following the visit of French Prime Minister, M. Pierre Mauroy, to Algiers last week, most of 100 French nationals involved will now be

able to remit half their salaries, up to a ceiling of Dinars 6,000 (\$24) every month.

Most French specialists working in Algeria, which number about 2,500, have not been affected by the April measures as they have contracted to work in Algeria in the framework of bilateral agreements between the two countries.

But about 10,000 foreigners

have suffered, about three-quarters from the Middle East, notably Egyptians in the teaching corps. The remainder are from Western Europe and North America and work for such companies as Air Algerie and the oil and gas monopoly, Sonatrach.

The measures have also been relaxed for certain senior foreign specialists and teachers. But thousands of others have not been able to

send money to their families for six months. If they choose to leave, they can be accused of breach of contract.

Last April's measures came at a time when it was suggested Algerian oil and gas exports might suffer a decline of \$1.5bn below last year's figures of \$12.7bn. Thanks to a strong dollar rather than a pick up in export volume, the authorities believe the shortfall will be at most \$1bn.

Hence, certain industrial projects which might have been slowed down will proceed as expected and the need for foreign specialists will not decline.

The measures were also part of an attempt by the Algerian authorities to put their house in order as it was felt that certain state companies were resorting to signing contracts with foreign specialists as soon as there was a vacancy.

Singapore ethylene plant to start up

BY CHRISTOPHER SHERWELL IN SINGAPORE

PREPARATIONS are about to begin for the start-up in mid-February 1984 of Singapore's US\$1bn petrochemical complex, the city state's largest single industrial project which has laid its foundations this year.

An announcement yesterday by the Petrochemical Corporation of Singapore (PCS) followed talks in Singapore over the past two weeks between the Singapore Government, which has a 70 per cent share and its Japanese partners, the Japanese Overseas Economic Co-opera-

tion Fund and a consortium of 33 private Japanese companies headed by Sumitomo Chemical. The talks were begun after the governments of Singapore and Japan finally reached agreement last month on a rescue plan involving additional equity in the project. The aim of the plan — which was only agreed as a goodwill gesture after lengthy arguments in Tokyo — is to strengthen PCS before it begins operating.

The cut-out glut of petrochemical products suggests that the complex could operate at a

loss when it starts up even though its debt burden has been reduced. PCS will run a 300,000 tons per year ethylene cracking plant, which will feed materials to a downstream facility, operated by other consortia, in which the Singapore Government has a stake.

Under last month's agreement the Japanese Government put an extra Y4.58bn (\$13m) into the project and the Japanese company put up Y23.3bn. The Singapore Government subscribed a matching Y27.3bn.

Japan mission to Europe

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN PLANS to send a mission to Europe in mid-November to advise European businessmen on how to gain access to the Japanese market, the Ministry of International Trade and Industry (MITI) announced yesterday.

The mission will be sponsored by MITI but will consist of businessmen, not government officials. Its leader will be the president of Mitsubishi Corporation, Mr Yoshiaki Sakakura, the president of Seibu Department store, said he saw no reason why some European products should not be able to sell well as mass consumption items in Japan, not merely as luxuries or specialised products.

The Mitamura mission plans to be in London on November 14 then to visit Brussels, Paris, Düsseldorf and Stockholm.

Irish butter row comes to court

By Brendan Keenan in Dublin

A COMMERCIAL court in Krefeld, West Germany, is being asked to adjudicate on the rival claims of two brands of Irish butter: one from the Republic and one from Northern Ireland.

The German importers of "Kerrygold" butter, which is made in the Republic, are unhappy about a brand called "Irishgold" which is imported from Northern Ireland by a rival company. The Kerrygold importers feel the name and the gold foil packaging of Irishgold are too similar to their product.

The Irish Republic's Milk Board has been trying to break into the German market for the past ten years. Kerrygold has just over 1 per cent of the market with sales of £110.5m (\$83m) a year and the board hopes to double this figure.

The rival butter is supplied by an associated company of Northern Ireland's Milk Marketing Board but neither of the boards is directly involved in the legal action.

Irish exporters to West Germany are unable to use the shamrock symbol common to many Irish products, after a court upheld a German company's claim that the shamrock was its registered trademark.

EEC to repay nickel dumping fees to Moscow

LUXEMBOURG — Anti-dumping duty collected by the EEC on Soviet nickel over the last four months is to be refunded, Community foreign ministers have decided. They endorsed a recommendation from the Community's Executive Commission without discussion.

The provisional 7 per cent duty was imposed in June after European producers said they were being unfairly undercut by cheap Soviet nickel. The Soviet state organisation Raxminimport challenged the ruling in the European Court of Justice.

There was no clear estimate how much will be refunded but Soviet sales of nickel to the Community totalled 20,000 tonnes, or 15 per cent of the total market, in 1982 at current prices worth around \$65m.

Our new Deposit Bond offers high interest. And in full.

With the new National Savings Deposit Bond, every penny of the 11½% pa interest is credited in full.

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The bond is designed especially for investors seeking a longer term investment at a premium rate of interest.

The bonds can be bought in multiples of £50 with a minimum of £500. The maximum holding is £50,000.

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The interest rate currently stands at 11½% pa

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If you are a personal investor, you can buy in two ways. You can send the application form in this advertisement direct to the Deposit Bond Office – make out your cheque (not cash) to "National Savings" and cross "A/c Payee".

Or you can ask for a combined prospectus/application form at a Post Office and make your deposit there. If you pay by cheque, make it out to "The Post Office".

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National Savings Deposit Bond.

DESCRIPTION

1. National Savings Deposit Bonds ('bonds') are Government securities issued by the Treasury under the National Loans Act 1968. They are registered on the National Savings Stock Register and are subject to the Statutory Regulations relating to the National Savings Stock Register for the time being in force, so far as these are applicable. The principal of, and interest on, bonds are a charge on the National Loans Fund.

PURCHASE

2.1 Subject to a minimum purchase of £500 (see paragraph 3) a purchase may be made in multiples of £50. The date of purchase will for all purposes be the date payment is received, with a completed application form, at the National Savings Deposit Bond Office, a Post Office transacting National Savings Bank business or such other place as the Director of Savings may specify.

2.2 A certificate will be issued in respect of each purchase. This certificate will show the value of the bond and its date of purchase. This certificate will be replaced on each anniversary of the date of purchase, and on part repayment in accordance with paragraph 5.2, by a new certificate showing the updated value of the bond, including capitalised interest.

MAXIMUM AND MINIMUM HOLDING LIMITS

3.1 No person may hold, either solely or jointly with any other person, less than £500 in any one bond or more than £50,000 in one or more bonds. The maximum holding limit will not prevent the capitalisation of interest under paragraph 4.3 but capitalised interest will count towards this limit if the holder wishes to purchase another bond. Bonds inherited from a deceased holder and interest on such bonds will not count towards the maximum limit. Bonds held by a person as trustee will not count towards the maximum which he may hold as trustee of a separate fund or which he or the beneficiary may hold in a personal capacity.

3.2 The Treasury may vary the maximum and minimum holding limits from time to time, upon giving notice, but such a variation will not prejudice any right enjoyed by a bond holder immediately before the variation in respect of a bond then held by him.

INTEREST

4.1 Interest will be calculated on a day to day basis from the date of purchase up to the date of repayment. Subject to paragraph 4.2 interest on a bond will be payable at a rate determined by the Treasury, which may be varied upon giving six weeks notice.

4.2 The rate of interest on a bond or part of a bond repaid before the first anniversary of the date of purchase will be half the rate determined by the Treasury in accordance with paragraph 4.1, unless repayment is made on the death of the sole bond holder.

4.3 Interest on a bond will be capitalised on each anniversary of the date of purchase without deduction of income tax, but interest is subject to income

tax and must be included in any return of income made to the Inland Revenue in respect of the year in which it is capitalised.

REPAYMENT

5.1 A holder must give three calendar months notice of any application for repayment before redemption but no prior notice is required if application is made on the death of the sole bond holder. Any application for repayment of a bond must be made in writing to the National Savings Deposit Bond Office and be accompanied by the current investment certificate. The period of notice will be calculated from the date on which the application is received in the National Savings Deposit Bond Office.

5.2 Application may be made in accordance with paragraph 5.1 for repayment of part of a bond, including capitalised interest, but the amount to be repaid must not be less than £50, or such other figure as the Treasury may determine from time to time upon giving notice. The balance of the bond remaining after repayment, excluding interest which has not been capitalised, must be not less than the minimum holding limit which was in force at the date of application. Where part of a bond has been repaid a new certificate will be issued and the remaining balance will be treated as having the same date of purchase as the original bond.

5.3 Payments will be made by crossed warrant sent by post. For the purpose of determining the amount payable in respect of a bond the date of repayment will be treated as the date on the warrant.

5.4 No payment will be made in respect of a bond held by a minor under the age of seven years, either solely or jointly with any other person, except with the consent of the Director of Savings.

TRANSFERS

6. Bonds will not be transferable except with the consent of the Director of Savings. The Director of Savings will, for example, normally give consent in the case of devolution of bonds on the death of a holder but not to any proposed transfer which is by way of sale or for any consideration.

NOTICE

7. The Treasury will give any notice required under paragraph 3.2, 4.1, 5.2 and 8 in the London, Edinburgh and Belfast Gazettes or in any manner which they think fit. If notice is given otherwise than in the Gazettes, it will as soon as reasonably possible thereafter be recorded in them.

GUARANTEED LIFE OF BONDS

8. Each bond may be held for a guaranteed initial period of 10 years from the purchase date. Thereafter, interest will continue to be payable in accordance with paragraphs 4.1 and 4.3 until the redemption of the bond. The bond may be redeemed either at the end of the guaranteed initial period or on any date thereafter, in either case upon the giving of six months notice by the Treasury. The Director of Savings will write to the holder before redemption, at his last recorded address, informing him of the date of redemption.

NATIONAL SAVINGS DEPOSIT BOND—Application to purchase

To the Deposit Bond Office, Dept. FT1, National Savings, Glasgow G58 1SB.

I/We accept the terms of the Prospectus and apply for a Bond to the value of £ Note: Minimum purchase is £500. Maximum holding £50,000. All purchases must be in multiples of £50.

BLOCK CAPITALS PLEASE

Surname(s) First name(s) Mr/Mrs/Miss

Address(es)

Postcode

Note: If the Bond is to be held jointly the names and addresses of all holders should be entered. The Investment Certificate and all correspondence will normally be sent to the first named holder.

Date of Birth (if under 7) Day Month Year

NAME AND ADDRESS TO WHICH DEPOSIT BOND SHOULD BE SENT (Complete only if different from first address above)

Name

Address

Postcode

Signature(s) Date

Note: If the Bond is to be held jointly all the parties must sign above. Persons signing for children under 7 should also state relationship here.

UK NEWS

Wall Street bank to advise on British Telecom shares sale

BY GUY DE JONQUIERES

MORGAN STANLEY, a leading Wall Street investment bank, has been appointed to advise the Government on ways of selling shares in British Telecom (BT) in the U.S., when 51 per cent of the organisation is offered to private investors next year.

The bank has been given three months to prepare a feasibility study. It will be provided with confidential financial reports by BT's auditors and the organisation's own forecasts of its future profit performance.

Morgan Stanley was chosen from about half a dozen U.S. investment banks which have recently submitted proposals to a panel composed of representatives of BT, the Government and Kleinwort Benson and S.G. Warburg, the London merchant banks which are advising on the flotation.

The decision to explore U.S. financial markets reflects concern about the difficulty of placing the entire BT issue on the London Stock Exchange. The Government hopes that the sale will raise about £4bn - more than twice the total value of new equity issued in the UK last year.

The Government aims to keep BT intact and to sell all the shares at once. But several of the U.S. investment banks which have discussed the plan with BT and the Government seriously doubt that it will be possible to meet these objectives. They think it may be necessary to split up BT and sell it in pieces.

Banks point out that the planned flotation is huge even by the standards of the U.S., where the largest amount ever raised in a single offering is \$1bn. That record is held by American Telephone and Telegraph.

If BT were broken up, the U.S. banks argue, it would be fairly easy to interest American investors in its profitable business - notably equipment sales, long-distance transmission and international operations.

But it would be much harder to find buyers for BT's loss-making local service, which at present is heavily subsidised by profits from other parts of the organisation.

At an earlier stage the Government considered the possibility of a break-up, but rejected it on the grounds that it would infuriate BT's management and unions.

Economic recovery predicted to continue 'well into next year'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S economic recovery is set to continue well into next year, the Central Statistical Office says in a commentary on its latest set of indicators published yesterday.

The indicators, released for the first time in a new and improved form, show a generally more positive upward trend than the series they have replaced.

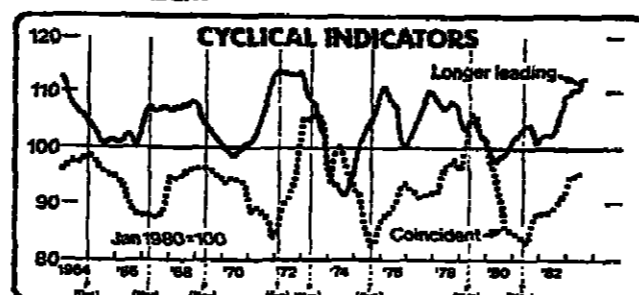
Improved statistical techniques and some revisions to the composition of the indicators have now eliminated an apparent fall at the end of last year in the indicator that predicts activity 12 months ahead.

This longer leading indicator is now seen to have been climbing fairly steadily since the beginning of 1982. Yesterday's figures showed a further small rise in August for the indicator that predicts economic turning points six months ahead.

They showed a slight downturn in August of the longer leading indicator, but that was not significant, since it is based only on partial information.

The latest CSD figures conform with the rather more buoyant outlook for the UK economy suggested by Treasury statements as well as by recent economic statistics.

The Treasury has been consistently predicting that the recovery will accelerate somewhat next year, although other commentators, in-



cluding the Confederation of British Industry and the National Institute of Economic and Social Research, have suggested that growth might peter out by the end of 1984.

However, official estimates published on Monday showed that consumer spending was still rising, and revisions to national output figures have suggested that the economy has been growing at an annual rate of 2½ to 3 per cent from the bottom of the recession in May 1981.

Separate figures, out yesterday from the Department of Employment, suggested that this higher rate of economic activity was leading to a faster annual rate of increase in average earnings. These were rising at an underlying rate of 7½ per cent in August, compared with 7¼ per cent a month earlier.

The rate of growth of rises in

earnings started to increase again in August after three years of slow but steady reductions, according to figures published yesterday, also by the Employment Department.

Low inflation means that people with jobs are still increasing their living standards, and as inflation starts to rise they are maintaining the 4 per cent real improvement in their living standards.

The department's figures show that the pick-up in the economy filtered through in wages to give a rise in earnings, in the year to August, of 7.75 per cent, compared with 7.5 per cent in each of the four months April to July.

The tax and price index, which measures the income needed to keep pace with price and tax changes, increased by 3.1 per cent in the 12 months to August and 3.6 per cent in the year to July.

Exchange's first step on rates freedom

By John Moore, City Correspondent

THE STOCK Exchange has agreed that its member firms should be able to negotiate commissions on overseas transactions. The move marks the first step in the exchange's plans to dismantle its minimum commission structure.

This proposal follows an agreement with the Government that the minimum commission structure on transactions should be dismantled by the end of 1986. In return the Government agreed to exempt the Stock Exchange from the operation of the restrictive practices legislation.

The exchange will allow member firms to create international dealerships as subsidiaries which will be allowed to trade in overseas securities and negotiate commissions. This would allow member firms to compete on what they see as an equal footing with non-members, allowing them to make a price to an ultimate dealer in the way that U.S. firms, such as Merrill Lynch, can.

An international dealership system could hasten the end of the single capacity system.

Hambro challenges banks with new finance scheme

BY CLIVE WOLMAN, SAVINGS CORRESPONDENT

THE FIRST integrated banking, credit and financial management service in the UK was launched yesterday by Hambro Life Assurance, one of the largest life assurance companies in the UK.

This form of financial supermarket, which was introduced in the U.S. six years ago by Merrill Lynch, the brokerage house, represents a major long-term threat to the profits of the clearing (cheque account) banks.

The service, to be called the Financial Management Programme (FMP), offers the following facilities:

● An interest-bearing current account offering close to money-market rates on deposits of more than £10,000, with cheque book, cheque card and a telephone link open 10 hours a day.

● An automatic credit line which can be tapped merely by writing a cheque. The overdraft limit is 40 to 60 per cent of the value of the investments placed with the service.

● A Diners Club charge card, which can be used for the buying, holding and selling of shares, bonds and unit trusts, life assurance and pension plans, and an optional portfolio management service.

● A monthly statement of transactions and evaluation of assets plus an annual summary designed to simplify tax returns.

Hambro Life has been piecing together the scheme over the last year ever since it introduced a new computer system (which is essential for co-ordinating the services) and acquired the banking and financial services company, Dunbar.

The main attraction of the scheme is that it simplifies drastically an individual's financial affairs and the paperwork generated by bringing most financial transactions together under one roof.

Hambro Life has been unable to include two important facilities,

however. The FMP does not offer long-term mortgages or other loans on the security of non-financial assets, and there is no access to cash-dispensing machines. Cheques of up to £30 may be cashed only at the branches of Williams and Glyn's bank in England and Wales.

Advice will not be available on the buying and selling of shares. The service is aimed at the self-employed and wealthy individuals whose custom the clearing banks have always relied on to boost their profit margins. A minimum of £25,000 of cash, shares and other financial assets must be placed with FMP, which is about twice the sum required by the equivalent U.S. services.

There is also a £50 annual subscription of the Diners Club. Charges on cheque payments, direct debits and credits are in line with those of UK banks, while the interest rate on overdrafts will be a standard 2½ per cent over the base rate.

The scheme will be marketed through insurance brokers and about a quarter of Hambro Life's 3,000-strong insurance sales force. No commission will be paid, but Mr Mark Weinberg, chief executive of Hambro Life, said sufficient incentives should be provided by the prospect of selling other services, particularly insurance and unit trusts, to the clients.

Mr Weinberg said his "realistic" target was 50,000 customers within the next two to three years, but he was hoping for 100,000.

According to Mr Bernard Lander, financial services analyst at stockbrokers Laing and Cruickshank: "The danger for the banks is that this sort of service will siphon off their high quality business and force them further and further down market. But it will take a decade to be accepted by the general public."

Varley stands down in Labour elections

BY MARGARET VAN HATTEM

MR ERIC VARLEY, the Labour Party's treasurer and Secretary of State for Industry in the Wilson and Callaghan governments of the 1970s, yesterday surprised MPs by announcing that he would not seek re-election in next week's ballot for the Shadow (opposition) Cabinet.

He has been Labour's chief spokesman on employment since 1979. In a statement yesterday, Mr Varley said: "Having been a member of the Labour front bench in the House of Commons since 1967, I want to spend more time with my family and my constituents."

But his decision has inevitably fuelled speculation that his relationship with Mr Neil Kinnock, the new Labour Party leader, has not improved since last year's reshuffle of the Shadow Cabinet under Mr Michael Foot, the former party leader.

Neither Mr Kinnock, nor Mr Roy Hattersley, the deputy leader, appear to have been told of Mr Varley's decision in advance.

At the time of last year's appointment, Mr Foot wanted Mr Kinnock to replace Mr Varley as employment spokesman, but Mr Varley, strongly supported by Shadow Cabinet allies, refused to go quietly.

Mr Kinnock defused the issue by announcing that he did not want the employment job, but his anger with Mr Varley and his allies was widely known and was a factor in his decision to run for the party leadership when Mr Foot resigned.

It is felt that Mr Varley might not have wished to negotiate with Mr Kinnock for a portfolio once the election results were announced on October 27.

U.S. deal with Immos

BY GUY DE JONQUIERES

GENERAL INSTRUMENT (GI), a medium-sized U.S. semiconductor manufacturer, is to make under licence one of the newest products developed by Immos, Britain's state-backed microchip company.

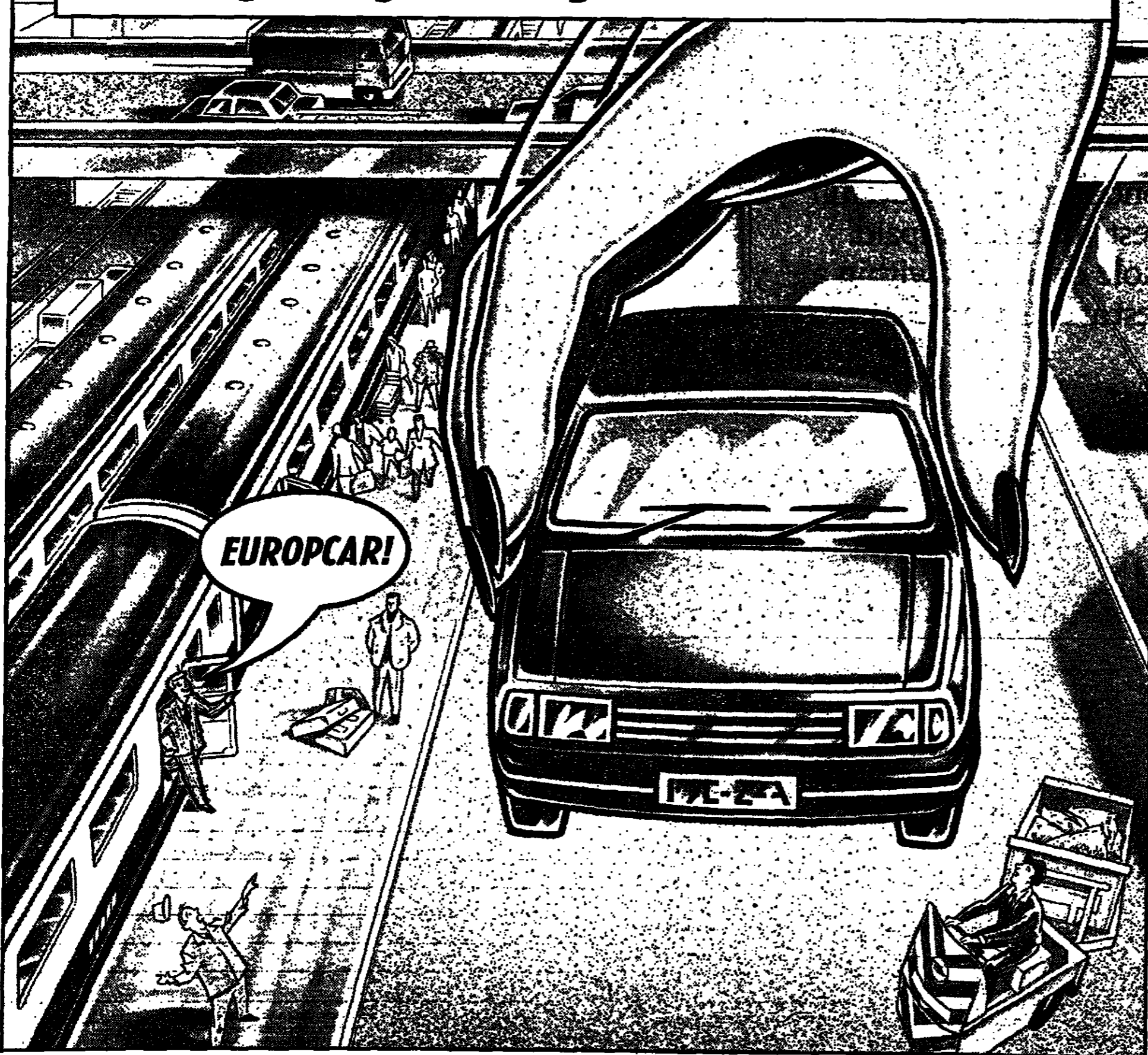
The deal, known as a "second sourcing agreement," is the first which Immos has made with another company and marks a modest breakthrough in its efforts to establish itself on world markets as a credible component supplier.

Second sourcing agreements are

common in the microelectronics industry and are actively encouraged by manufacturers because they provide customers with the security of being able to choose more than one supplier for a given product.

The product to be made by GI is not due to be launched by Immos until early next year. It is called a 64-K electrically erasable programmable read-only memory (Eeprom). It enables data to be stored in a computer even when it is switched off and can be reprogrammed at will.

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Third Annual Report

Results for the year ended 30th June 1983.

	1983	1982
1. Net revenue on ordinary activities before taxation	210,887	311,857
2. Taxation	110,348	39,075
3. Net revenue after taxation attributable to members	100,549	272,782
4. Earnings per share	0.5p	1.36p

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there is a course for secretaries to learn how to operate our word processor.

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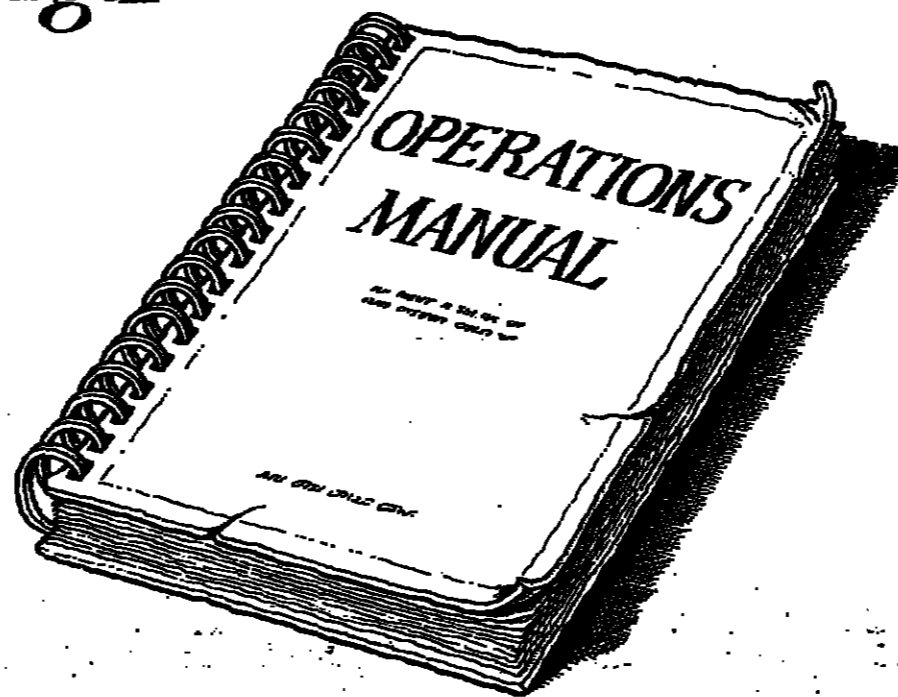
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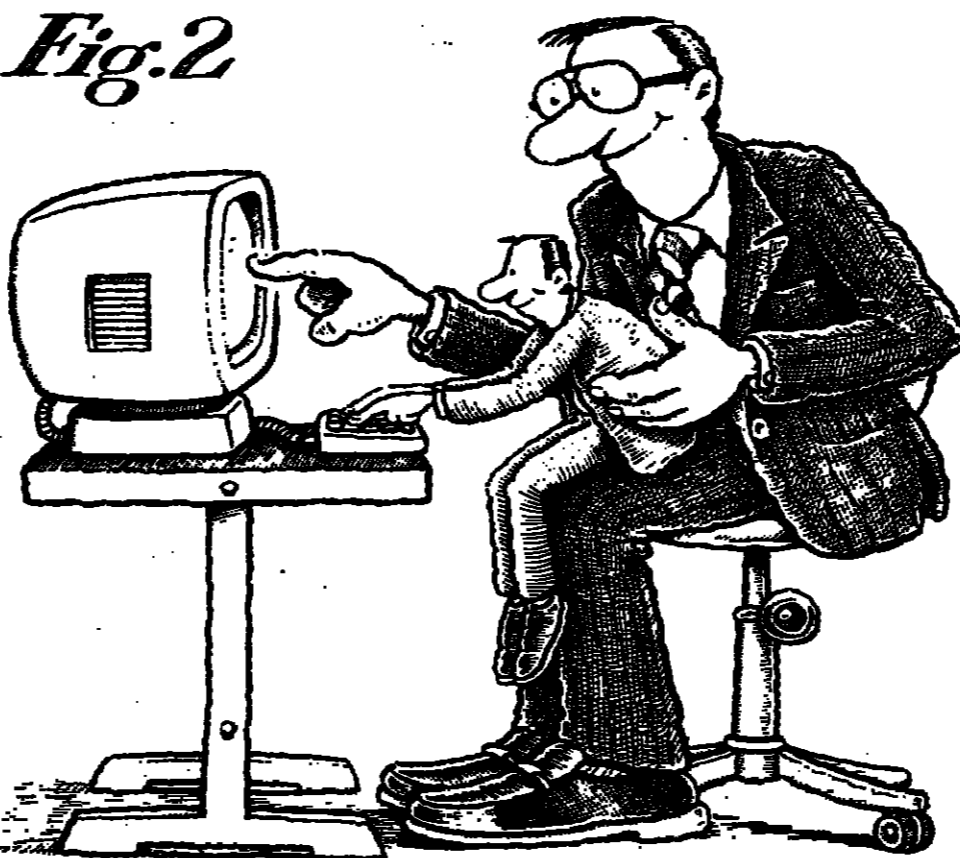
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Fig.1



Preferred by most computer companies

Fig.2



Preferred by most computer users

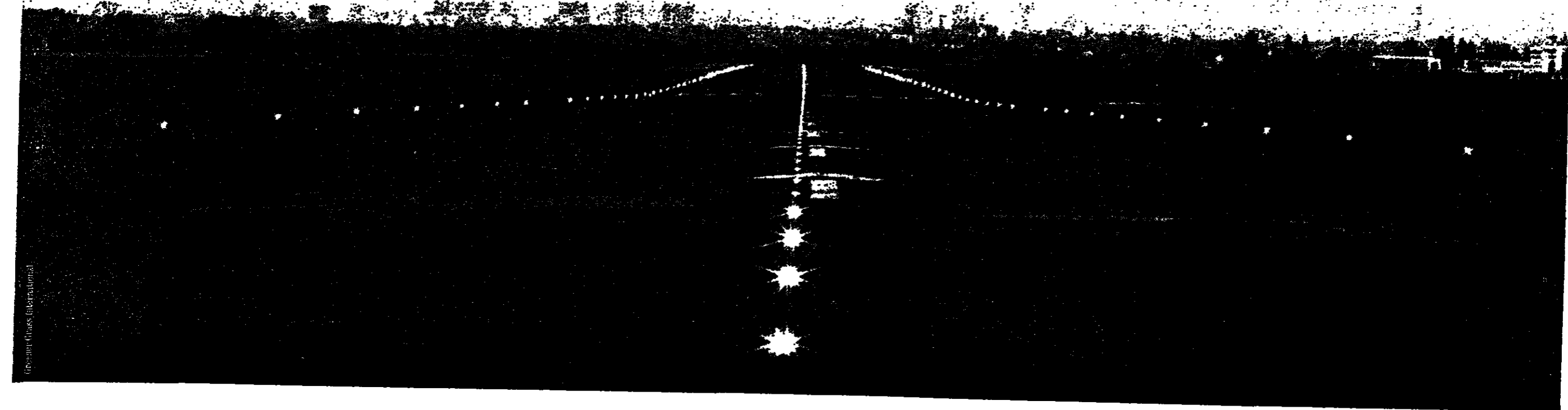


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Indeed, the design and engineering of the Falcon 100, 200 and 50 corporate jets put them right next to the most recent generations of commercial airplanes. Incomparably sturdy, the Falcons have been the only business jets whose structure has not been imposed "life limits". Another significant efficiency item

can be found in the Falcon's hydraulic flight controls, which are similar to those of Mirage fighters flying at Mach 2.2, and need to be verified only once every ten years. Certifying authorities are so convinced of their flying qualities that no artificial safety device, such as a stick-pusher, has been imposed on the Falcons. No other corporate jet has obtained this distinction.

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hundreds of short or even rudimentary runways which are often unsuitable for other corporate jets. Business can therefore take off more easily every day thanks to the Falcon's wide range of use and robust construction to fly safer, faster and more economically. So, if you have been endowed from up above with the golden business touch, why don't you reciprocate and fly the Falcon. It gives a golden touch to the skies.

A special information kit on the Falcon 100, 200 and 50 has been prepared. To obtain it, please send your card to Paul Delorme, Dassault International, 27 rue Victor Pauchet, 92420 Vaucresson, France, or just call him at the following number: (1) 741.79.21.

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NOTICE OF REDEMPTION

To the Holders of

Ramada Capital Corporation N.V.

6 1/4% Convertible Guaranteed (Subordinated) Debentures
due November 15, 1986

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of November 15, 1971 under which the above-described Debentures were issued Morgan Guaranty Trust Company of New York, as Trustee, has selected \$188,000 principal amount of Debentures for redemption on November 15, 1983, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date, as follows:

Outstanding Debentures of \$1,000 Each of Prefix "M" Bearing Numbers Ending in any of the Following Two Digits:

00	07	13	16	21	23	25	73	74	76
7	1037	3837	3437	3637	4037	4737	5437	5837	6437
537	3537	3237	3537	3537	4137	4837	5537	5937	6537

Also Outstanding Debentures of \$1,000 Each of Prefix "M" Bearing the Following Numbers:

537	1037	3837	3437	3637	4037	4737	5437	5837	6437
537	3537	3237	3537	3537	4137	4837	5537	5937	6537

The right to convert Debentures selected for redemption into Ramada Inns, Inc. Common Stock will terminate at the close of business on November 15, 1983. The conversion price of Debentures is \$15.57 principal amount of Debentures for each share of Common Stock issuable upon the conversion. On November 15, 1983, the Debentures designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Receiver and Deliver Department of Citibank, N.A. (formerly First National City Bank), 111 Wall Street, New York, New York 10045 or (b) at the main office of Citibank, N.A. in Amsterdam, Milan, Brussels, Frankfurt/Main, Paris or London, or the main office of Citibank (Luxembourg) S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Coupons due November 15, 1983, should be detached and collected in the usual manner. On and after November 15, 1983, interest shall cease to accrue on the Debentures selected for redemption. Following the aforesaid redemption, \$3,400,000 principal amount of the Debentures will remain outstanding.

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Profits in
sight
again at
VauxhallBy Kenneth Gooding,
Motor Industry Correspondent

A THREE-DAY pay strike last month may have cost Vauxhall, General Motors subsidiary, its first profit since 1978, according to Mr John Fleming, chairman.

But the company, now separated from GM's Bedford Trucks business, would be profitable in 1984, he said. The pay dispute, which cost the output of 4,000 cars, had made it "touch and go" whether his company would be profitable this year.

However, the Bedford Truck operations would still incur major losses, so GM's total business in Britain would continue to be in the red. In 1982, when Vauxhall and Bedford were still combined, trucks accounted for most of the £38m loss.

Mr Fleming predicted that next year Vauxhall would benefit from a more orderly cars market and that the large extra bonuses paid to dealers in 1983 would disappear.

Vauxhall last week introduced extra bonuses of £135 each on the Astra and Cavalier models even though the company had given a particularly warm welcome to Ford's recent decision to "lead the industry out of disorderly marketing" by ending all such incentives.

Mr Fleming said: "We saw in some cases we were not as competitive with some models as we might be. So small bonuses were introduced. We sharpened our competitive edge."

Vauxhall's major capital investment project at the moment is a £25m reorganisation of the Ellesmere Port plant on Merseyside. This forms part of a £50m programme running to mid-1985 throughout the cars business. In all, Vauxhall and Bedford will spend £130m by that time, mainly financed by loans from the U.S. parent.

It was possible that in three or four years' time GM's new small car, the Vauxhall Nova/Opel Corsa, might be assembled in Britain, Mr Fleming added. Once the Nova-Corsa plant in Spain was working at full capacity the UK, a major market for the model, would be a logical place for "overspill" assembly.

UK may be main beneficiary
of energy conversion loans

BY MAURICE SAMUELSON

BRITISH companies are likely to be the main beneficiaries of an EEC plan to double the amount of money available for the encouragement of factory conversion from oil to coal.

The assistance takes the form of soft loans in a mixture of European currencies drawn from the budget of the European Coal and Steel Community (ECSC).

In 1983, the ECSC allotted £m European currency units (Ecu) - worth about £3.5m - in interest rebates on about £24m worth of loans. Next year's Community budget is expected to authorise about 11m Ecus to be used as loan rebates.

EEC officials said yesterday that this increase was being proposed mainly as a result of the keen interest shown by British industry, which had taken up half the loan money available in 1983.

In Britain, the loans supplement the £50m grants package available from the Industry Department for the past 2½ years. Most of this money, covering up to 25 per cent of approved projects, has now been earmarked, and the Government is being urged by the former among UK companies will drop sharply if the grants are not renewed.

also open to applicants in France and West Germany, most of the interest in the first year has come from Britain.

The EEC's increased allocation for next year is due mainly to the existence of several large UK-based industrial companies, mainly in the chemicals sector, which are thinking of switching to coal for their heating and process needs.

Although the EEC loan scheme is officially separate from the UK Government grants package, the popularity of the former among UK companies will drop sharply if the grants are not renewed.

Belfast
yard set
for losses
of £40mBy Andrew Fisher,
Shipping Correspondent

HARLAND AND WOLFF, the Belfast shipbuilding company, is likely to report losses of about £40m for the latest financial year to March 31, 1983, up from £25m for the previous 15 month period from January 1 1981 to March 31 1982.

The yard has just won an order worth some £2m to refit the Ranga-taria ferry, which returned from the Falklands this week. It is also carrying out work worth £6m on a floating harbour for the South Atlantic islands.

Increased losses, to be announced next month, reflect not only the poor state of the world shipbuilding market, but also restructuring costs, including redundancies.

The company, state-owned but not part of nationalised British Shipbuilders, has submitted a corporate plan to the Government, which envisages a cut in its working area from 330 to 240 acres. Government aid to the yard in 1982-83 totalled more than £45m.

The yard's order book is worth about £110m, not including a £30m tanker for British Petroleum, due to be delivered shortly. Its latest major order, announced in August, is worth £70m and involves four refrigerated ships for Blue Star Line.

In April, Harland announced 700 redundancies on top of last year's 1,000 job losses as part of the programme to cut costs.

Preview for Hyundai Stellar

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A CAR which is destined to become known as "the South Korean Cortina" will be given a European preview at Motor in London today.

The new model, called the Hyundai Stellar, will go on sale in the UK next spring.

The West Bromwich-based International Motors expects to sell 1,500 during the rest of 1984 and hopes for annual sales of 2,000 thereafter.

The Stellar will also be launched by the Hyundai dealer networks in the Netherlands and Belgium and, possibly late next year, will be used to spearhead Hyundai's first attack on the West German market.

Hyundai is South Korea's largest motor group, and since 1967 has assembled Ford Cortina car kits sent

from Britain - recently at the rate of 20,000 a year.

Although put under intense pressure by Ford to take the Sierra when it replaced Cortina last year, Hyundai decided instead to develop its own family-sized model.

The Stellar, therefore, has a floor-pan and suspension system derived from the Mark V Cortina. The engine and transmission are made under licence from Mitsubishi of Japan, which has forged close links with Hyundai and cemented them with a 10 per cent shareholding in the Korean car maker. The engine drives the rear wheels.

Other outside help was used for the body design, which is the work of ItalDesign of Italy.

The Stellar is made at Hyundai's

Ulsan factory, near Pusan, which was built in 1974 with advice on its construction from Mr George Turnbull, then a Hyundai vice president but now chairman of Talbot UK, and president of the Society of Motor Manufacturers and Traders.

Ulsan also produces the rear-wheel-drive small car, the Pony, which was introduced to the British market in February 1982. Since then, a network of 170 dealers has been developed.

International Motors hoped to sell about 6,000 Ponies this year but the total will be nearer 5,000.

Three versions of the Stellar, a 1.6 litre, five-seat saloon, will be sold in Britain. Prices have still to be fixed, but will probably be between £4,800 and £5,800.

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JOBS COLUMN

City banking—or how the rich folk make do

BY MICHAEL DIXON

AN ANGRY young man rang up a while ago. He was not, incidentally, protesting about my printing a table of salary figures for the third time in five weeks (the reason is that three survey reports have arrived in short order and it seems best to pass them on as fast as possible). Indeed he wasn't cross with me at all... to start with, at least.

He was doing well as a banker in London and had met and married another banker also doing well on her own account. She had subsequently got a new and better job with a bank in the City and had been given among her perks a cut-price house-purchase loan. A couple of years later he, acting independently of his misuses, had applied to and been engaged by the same bank. And do you know what it had been and gone and done to him?

Seeing that his wife happened to work there as well, the bank was refusing to give him another cut-price home loan on top of the one it had given her. So he had been deprived of the second subsidised mortgage he had enjoyed when with his previous firm. Wasn't that sort of shabby treatment illegal under the sex equality act, he asked.

The Jobs Column did not have the answer. But it added that it didn't have much sympathy either. Nor, it suspected, would most of its

TOP PAID BANK STAFF ON LONDON MARKET — JANUARY TO JULY

	Minimum 1983 £	(1982) £	Average 1983 £	(1982) £	Maximum 1983 £	(1982) £
General manager	60,000	(35,000)	60,000	(56,250)	60,000	(77,500)
Senior corporate finance executive	17,594	(17,600)	29,948	(23,775)	47,250	(29,950)
Bond issue manager	40,000	(18,990)	42,000	(30,818)	45,000	(39,500)
Senior leasing manager—bigger tickets	22,500	(24,000)	34,312	(34,125)	45,000	(40,000)
Foreign exchange/money manager	30,000	(25,700)	32,181	(37,500)	40,000	(46,500)
Foreign exchange chief dealer	19,500	(21,500)	27,135	(25,750)	40,000	(35,000)
Senior lending officer	12,500	(13,995)	20,285	(20,000)	39,500	(24,700)
Loan manager	36,750	(18,060)	36,750	(30,030)	36,750	(42,000)
Senior leasing manager—smaller tickets	18,775	(16,000)	27,012	(24,975)	35,000	(30,000)
Senior foreign exchange/deposit dealer	12,500	(15,133)	19,110	(18,064)	33,000	(21,000)
Leasing marketer—bigger tickets	15,500	(22,500)	23,225	(19,245)	32,000	(28,000)
Assistant general manager	18,000	(22,500)	24,555	(31,250)	31,110	(40,000)
Branch manager	19,275	(18,995)	25,288	(18,997)	28,500	(21,000)
Project finance manager	23,750	(19,500)	26,125	(23,000)	27,500	(27,500)
Senior investment manager	24,000	(17,990)	26,800	(21,495)	27,500	(25,000)
Financial controller	17,500	(15,250)	20,738	(21,125)	27,500	(31,000)
Assistant branch manager	8,500	(12,500)	14,004	(14,925)	27,500	(18,110)
Leasing marketer—smaller tickets	12,500	(6,500)	17,075	(18,250)	27,000	(24,000)
Treasury/cash management consultant	9,000	(15,450)	14,597	(17,500)	25,760	(22,550)

readers especially those in industry. Eccentric though it may seem from the standpoint of City of London banking, quite a few of us didn't have even one subsidised mortgage. The conversation ended on a somewhat strained note.

The memory returns today because, besides the accompanying indicators of top salaries on the London bankers' jobs market in the first seven

months of this year as observed by the Jonathan Wren recruitment consultancy, I can report the same consultancy's recent survey of perks provided by banks in the famous Square Mile.

But first to the table. It reflects the state of the top end of the candidates' side of the market by listing the job-titles of the highest-salaried people

in various kinds of work who applied through Wren for banking posts between January 1 and July 31.

In two cases—general manager and loan manager—only one applicant appeared so the person's salary appears in all three columns under 1983. In the other 17 cases the table gives the minimum and average salaries among the several applicants in the same job

category—the range being sometimes mind-boggling. Part of the explanation may be that some of the highest-paid applicants were victims of redundancy, perhaps because they were paid well above the odds for the work they did.

But to those of us employed outside City banking, it is possibly the average figures which make the most interesting reading particularly in the light of the Incomes Management Consultants' recent survey of the pay of executives in general industry and commerce in the United Kingdom.

That found an average of £31,177 for managing directors. At the immediately lower level of departmental director the averages were: general management £25,774; distribution £25,447; personnel £24,047; finance £22,582; marketing £22,784; purchasing £21,905; company secretarial £21,494; sales £20,490; research and development £20,314; production £19,280; and engineering £19,243.

Now to the London bankers' perks. Since I can report these only in outline from Wren's study this year of 43 banks of different kinds, anyone wishing to know more should contact Richard Meredith at 170 Bishopsgate, London EC2M 4LX; telephone 01-623 1266. Of the 43, 41 provided loans and/or other subsidies for house purchase, the majority

requiring no more than six months qualifying service. A third charged 3 per cent interest or less, two fifths 5 per cent and the rest in between. The maximum loan averaged almost four times annual salary.

In addition personal loans at rates averaging a bit less than 5 per cent were provided by 38. Forty had non-contributory pension schemes. Non-contributory life assurance up to three to four times salary, and private medical facilities were granted by 42. The private cover was extended to all staff by more than 30 and a similar number allowed free cover for dependants.

Company cars for senior staff were provided by 42; £17,000 gives an idea of the qualifying salary figure.

Bonuses or profit-sharing were in force at 28, with 20 including the entire staff. Interest-free loans for season tickets were allowed by 41 with another completely subsidising travel to and from work. The whole lot subsidised employees' lunches. Junior staff were paid overtime by 41 at time and a half weekdays and double time otherwise. Holiday allowances averaged almost four working weeks.

All of which may add point to the original Henry Ford's observation: "It requires less skill to make a fortune dealing in money than dealing in production."

Merchant Banker

23-28

Our Client is one of the largest European Merchant and Commercial Banks and has a considerable London presence in the International Syndicated Loan Market.

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The job will include some overseas travel. Longer term career prospects are on an international basis. Our Client offers generous remuneration which will include the normal banking benefits.

Please write in confidence with full details to Colin Barry at Overton Shirley and Barry (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP Tel: 01-583 1912.

Overton Shirley and Barry **OSB**

Bank of Montreal is continuing the development of its Treasury activities, and now has two senior vacancies in its London money markets group:

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For this position, we seek applications from candidates of considerable experience and maturity, who have sound knowledge of all aspects of these markets. The Bank is extending its activities into new fields, while continuing to fully participate in 'traditional' business. The successful applicant will combine an innovative approach with the ability to lead a team operating in accordance with the highest professional standards.

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Treasury Division,
Bank of Montreal,
9 Queen Victoria Street,
London, EC4N 4XN.



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Your principal responsibilities will be to undertake projects, investigations and analyses, particularly in relation to cash and currency management and credit policy; to monitor and review the performance of our pension fund in relation to agreed investment strategy; and evaluate new investment opportunities; to support other departments by carrying out financial reviews and lease/buy analyses.

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NATIONAL ECONOMIC DEVELOPMENT OFFICE

Economic Director

NEDO is an independent, publicly-financed organisation responsible to the Government, CBI and TUC. Its purpose is to promote improved performance in the economy of the UK, with special emphasis on industry.

The Economic Director initiates and supervises the preparation of papers on economic topics for the National Economic Development Council and is responsible for the output of economic and statistical advice, analysis and information which provides background to the industrial work of the Office. He or she plans and supervises the long-term economic research programme and is responsible for the preparation of related publications. The Economic Director is assisted by and has responsibility for a team of professional economists and statisticians and support staff. The Economic Director will also be expected to maintain liaison with senior economists of the Government, TUC and CBI and to represent the Office on high-level outside economic committees.

The successful candidate should be

knowledgeable in the main economic topics arising in the Office, notably the determinants of economic growth, industrial structure and policy, macro-economics and applied international economics. He or she must be able both to comprehend and to use a wide range of economic argument; and to express technical material in a form comprehensible to the layman. A proven record of achievement in the academic field is essential. Previous public sector or industrial experience would also be an advantage.

Salary will depend on age, qualifications and experience but will be not less than the rate for a civil service Under Secretary (currently £26,750 rising to £27,750 on 1 January 1984 plus inner London Weighting of £1,250).

Applications including a full CV should be sent to:

Derek Truman
National Economic Development Office
Millbank Tower Millbank London SW1P 4QX

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The jobs attract a competitive salary, company car and valuable banking benefits including low-cost loans and mortgages, free BUPA and non-contributory pension fund. Relocation assistance will be given where appropriate.

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Write with full career and salary details to Peter Cole, Bank of America, 25 Cannon Street, London EC4.



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BDC

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If you are the type of individual we are looking for, you'll know that investment is central to the function of a life assurance organisation. You'll also know that the Investment Analyst is a key figure.

You have a good honours degree (not necessarily in economics or accountancy) with about three years' experience in industry or commerce. You are numerate with a strong interest in and some knowledge of finance and investment - though perhaps not involved directly in that field at the moment. You have a definite flair for absorbing and assessing information and forming clear judgements.

If your application is successful you will be trained and developed on the job before being given personal responsibility for certain sectors of the equity market.

We will give you an excellent salary which we will review regularly. We also have a non-contributory pension scheme and a very attractive staff house purchase scheme. But above all we will give you a very worthwhile career.

Apply in writing with details of your background and experience to:

The Staff Manager,
The Scottish Provident Institution,
6 St. Andrew Square,
Edinburgh EH2 2YA.



SCOTTISH PROVIDENT

Corporate Finance Executives

Salary £12,500 - £20,000 + Benefits

Several of our Merchant Banking clients wish to expand and strengthen their Corporate Finance Departments.

These opportunities are at different levels of seniority and applications are invited from candidates as follows:-

1. Executives aged between 30/35 years with several years Corporate Finance experience within Merchant Banking or Stockbroking.
2. Recently qualified Chartered Accountants or Solicitors, aged between 25/30 years who have had experience of Mergers, Acquisitions or tax matters.

Please telephone or write enclosing a curriculum vitae to Peter Latham.

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate London EC2M 4LX 01 623 1266

CHIEF MARKETING EXECUTIVE

Our company has recently acquired the exclusive rights to an outstanding plastic product.

A unique opportunity now exists for a dynamic, top-level marketing executive to lead and co-ordinate the marketing of the product worldwide.

Applicants should be experienced in international marketing and possess strong analytical ability and creative thinking. Experience in the field of plastics would be an advantage but is not essential.

This senior appointment carries an excellent salary and benefits with unlimited future potential.

Please reply in writing to:

J. C. Bradley, TWR Limited
1 Station Field Industrial Estate, Kidlington, Oxon.

GEOFF FIELD

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37/39 Eastcheap

EC3

01 626 2931

First choice for top management

PER

Professional & Executive Recruitment

Senior Accountants

Fluent Arabic/English
£23,000 tax-free
Saudi Arabia

Our client is one of the largest growing trading companies in Saudi Arabia with an enviable reputation for dependability and service. Associated with many international companies, operations mainly centre on oil and transportation, food operations and appliances and consumer services. They now wish to appoint a Senior Financial Controller to each division to take complete control of accounting activities. Considerable responsibility will be afforded in the appointment and staff training and development will be of prime importance in your role. Candidates should be qualified accountants with several years' senior financial management experience. The ability to speak and write Arabic is essential. In addition to an attractive tax-free salary, overseas benefits will include free, furnished apartment, car and airfare to and from home or family status. Send full cv to: Milton Jones, PER Consultants, 45 Grosvenor Place, London SW1X 7DB.

Commercial Manager

Printing Industry

J & C. Moore Limited, a subsidiary of the Littlewoods Organisation, is a Liverpool based multi-process printing/print finishing company with a workforce of 80 people. We are seeking to appoint a Commercial Manager whose main responsibilities are dealing with the commercial administrative functions in the company, including sales, accounts, finance, production control, purchasing, estimating and computer operations. The Commercial Manager reports directly to the Chief Executive and is a key member of the senior management team. There is therefore, an opportunity to make a significant contribution to the company's policies and future development. An attractive salary is offered together with generous fringe benefits and overseas experience where appropriate. If you would like to be considered for this position, please write in confidence, giving brief details of education and career, to: Mr J.M. Goswami, Chief Executive, J & C. Moore Limited, 200 Edge Lane, Liverpool L7 9XZ.

Company Secretary

Attractive salary + car
South Birmingham

Birmingham Battery and Metal Company Limited, a well established process company, manufacture brass and copper tubes and plates, and are seeking an experienced Company Secretary to take a key post in their senior management team. Reporting to the Managing Director, you will be totally responsible for the efficient operation of the accounting and administration function. Your duties will involve presenting budgets and reports at board level, insurance liability, recruitment of clerical and financial staff and to supervise the installation of computerised financial and commercial systems. Age 25-45 you will be professionally qualified, preferably a chartered accountant, with at least 5 years' experience in a manufacturing environment, ideally with a knowledge of computerised office and accounting systems. Preference will be given to candidates within daily travelling distance. Benefits include medical insurance, pension and life assurance. Please write enclosing full cv to The Managing Director, Birmingham Battery and Metal Company Limited, Edgall Road, Selly Oak, Birmingham B29 6AB.

PER, Moorfoot, Sheffield, S1 4PQ, Central 24 hours answering service (0142) 750197. Applications are invited from both men and women.

Portfolio Managers Fixed Interest & Equity

Our Client is a London based mutual general insurance association with offices throughout the UK and in 18 countries overseas. Funds under management are in excess of £160 million, of which about two thirds are invested in Australia, reflecting the association's interests there.

Two people are required:

- a Gilt & Fixed Interest Portfolio Manager, aged 27-42, salary c. £17,500, ref: 1443.
- an Equity Portfolio Manager with experience in Australian equity dealing, aged 24-30, salary c. £15,000, ref: 1444.

Please write in complete confidence giving full career details to Shirley Boswell, quoting the appropriate reference number.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St,
London W1X 3TD 01-499 8811
Telex 8854989

FINANCIAL CONTROLLER

Banking operations

City of London

c.£17,000

Our client is the London office of a major regional US bank. A new commercial banking branch is now being established, and an accountant is sought to manage the setting up and actual operation of financial reporting procedures and systems.

The ideal candidate will be a chartered accountant in the age range 28 to 35. It is essential to possess knowledge of banking procedures and associated DP systems.

Remuneration is negotiable, and benefits are generous and flexible. This is an ideal opportunity for an accountant with practical experience seeking a career step forward and increased executive experience.

Please write to Michael Ping enclosing a detailed CV quoting reference F1713/Pat.

E&W

Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

SENIOR FOREX DEALER

£25,000

This expanding American Bank is looking for a Senior Dealer who has a proven track record on Spot and Forwards. As No. 2 in the department this is an excellent career opportunity. The usual bank benefits are offered, with the possibility of a car after an initial period. Age 27/37.

For further details please call
MIKE BLUNDELL JONES
on 01-439 4381
PORTMAN RECRUITMENT SERVICES

LIFFE MARKET DEALER

£13,500

A well-known American Bank requires a Liffe Floor Trader who has experience on Eurodollars and Gilt, maybe Short Sterling. You should be between 24 and 27, self-motivated, and have that feel for the market. A mortgage and bonus are offered to the successful applicant.

For further details please call
MIKE BLUNDELL JONES
on 01-439 4381
PORTMAN RECRUITMENT SERVICES

Personal Assistant to the Chairman and Managing Director

This is an outstanding opportunity for a young qualified accountant to play a creative role, as the P.A. to the Chairman of a rapidly expanding Investment Management Company.

The successful candidate, male or female, is likely to be between 25 and 30, and will be personable and well educated.

This will be a challenging and exciting opportunity for someone ready to assume responsibility within a small and flexible team.

Candidates should apply in writing to
Alan Henderson, Fraser Henderson Limited,
28b Albemarle Street, London W1X 3FA
or telephone 01-499 7551

FRASER HENDERSON LIMITED

FH

Private Client Investment Managers

Senior Investment Analyst

This is a key post in the investment department of one of Britain's largest industrial groups.

The relatively small and highly motivated investment team has demonstrated consistently successful performance in the management of the group's pension fund assets, currently £600m and growing rapidly.

The senior investment analyst is responsible for the application of high level analytical skills and judgement across all sectors of the UK equity market.

The post offers total involvement in the investment process, including the authority to recommend fund management decisions. Experience will enable the successful candidate to attain a high degree of autonomy and to undertake dealing transactions.

It requires at least 3 years' progressive experience in investment analysis, preferably with associate membership of the Society of Investment Analysts. Age 25 - 30. Salary £12,000 - £15,000, related to experience. Central London location.

Please write in strict confidence with full personal and career details, quoting ref 746/FT, to:

Philip Smith

Manpower Consultants
85-87 Jermy Street, London SW1Y 6JD

Careers in Financial Futures

Dealer, Interest Rate Futures

Towards £18,000 plus bank benefits

Leading N. American bank seeks a specialist to handle a challenging role - operating hedging and jobbing strategies and marketing futures to clients.

Assistant LIFFE Floor Manager

c. £15,000 plus bank benefits

Major bank is recruiting a registered trader with experience of spreads and an understanding of U.S. monetary policy to assume No. 2 post on LIFFE.

Broker, Gilt Futures

Towards £14,000 plus bonus

Active financial futures desk of established commodity brokers requires a dynamic individual with a thorough understanding of gilts.

For further details please contact Robert Kimbell, in complete confidence, on 01-481 3188.

Charterhouse Appointments Limited,
Europe House, World Trade Centre, London E1 9AA.

GLC

Working for London

Head of Finance Division Transportation & Development Department

A qualified accountant with extensive knowledge and experience in financial and management accounting is sought to head this important division within the Programme Management and Resources Branch.

The Head will be responsible for the financial management of the department and act as adviser to the Programme Controller and Departmental Management Board on financial matters. Principally, this will involve the operation and maintenance of existing accounting and payment systems, assisting with the preparation of annual estimates and the development of financial control and monitoring systems and advising on the allocation and management of resources on the department's programmes of work. The area of work is currently under review and the salary quoted includes a special responsibility allowance.

Experience of resource allocation systems, budgetary processes, project and programme management, financial forecasting and management information systems is essential. Flexibility, drive and a high degree of initiative, together with the ability to develop sound working relationships within the Council and with contractors and auditors are also vital.

Salary: £6,397-£17,277 inclusive.

For an application form, to be returned by 4th November 1983, write to: Transportation and Development Department, Greater London Council, Room 454B, The Connaught, SE1 7PB or telephone 01-633 7791.

The GLC welcomes applications from all sections of the community, irrespective of an individual's sex, ethnic origin, colour or sexual orientation and from people with disabilities who have the necessary attributes to do the job.

The GLC is an equal opportunities employer.

TOP EXECUTIVE APPOINTMENTS from £16,000 to £60,000

As the leaders in the field of executive job search, we specialise in identifying appointments in the unadvertised vacancy areas.

Selected high calibre executives are offered our unique success-related fee structure.

Contact us today for a free confidential assessment meeting.

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Executive Management Services Limited
73 Grosvenor Street, London W1, 01-493 8504
(24 hour answering service)

مكتبة الشامل

**Imperial Group
Pension Fund Investments
Bristol**

CHARTERED SURVEYOR

Imperial Group Pension Fund, one of the longest established and most successful Pension Funds in the private sector, is seeking a Chartered Surveyor to join a small integrated investment team managing assets of £1,000m, including a substantial and varied property element. A good academic record is essential and some experience with an investment institution is desirable. Preferred age range 24-30. The job will concentrate initially on the investment aspects of property, most of which is managed by retained agents. However, the holder will be encouraged and expected at an early stage to widen and enhance his/her career through involvement in all other aspects of Pension Fund investment. An excellent salary and benefits package will be provided including relocation assistance where appropriate.

Applications with full c.v., which will be treated in strict confidence, should be marked "Personal" and addressed to

The Investment Manager
IMPERIAL GROUP PENSION TRUST LTD.
Lombard Street, Bristol BS99 7JR

BANKING OPPORTUNITIES

Manager Business Development 34/42 c. £25,000
Manager business development to promote commercial lending, ECGD and acceptance credits in UK and Ireland sought by European bank. Preference will be given to candidates with degree, preferably working for an accepting house and with one European language.

Forex Spot Dealer 23+ £12,000 to £17,000
U.S. bank seeks aggressive spot forex dealer (most currencies) with minimum 2 years' experience and cable background. Professional and busy dealing room environment.

Senior Credit Analyst minimum 30 c. £15,000
Senior analyst required by prestigious bank to develop credit analysis section. Candidates, who will probably be a graduate, must have working credit analysis experience (mainly UK corporate), and preferably now be working for a merchant bank. U.S. bank credit analysis training a necessity. This is a career opportunity for right person.

Credit Control 29/32 £11,500 to £13,000 max.
Candidate with UK corporate credit background required by expanding Far Eastern bank. Principal function is to control credit applications and administration but credit analysis and marketing experience also required. There is potential for advancement in this bank.

LJC BANKING

146 Bishopsgate, London EC2M 4JX • 01-377 8800

FRN DEALER

An experienced FRN Dealer is required to join a newly established trading team. The successful candidate will be given the opportunity to develop and expand an FRN department. We offer a competitive salary and an excellent fringe benefit package.

EUROBOND SALES EXECUTIVE

A Eurobond Sales Executive with minimum of three years' experience is required to join a newly established sales team. We offer a competitive salary and an excellent benefit package.

Please forward C/V's to:
Mr. Colin Lusty, Chief Eurobond Dealer,
Mitsubishi Finance International Limited
6 Lombard St. London EC3V 9AA
Tel: 726 4500

**INSTITUTIONAL
SALES**

Small/medium-sized stockbrokers seek further experienced salesmen. Small group would be considered. Existing clients useful but not essential. Main requirement of individuals is market consciousness and an active mind. Terms will be flexible.

Write with details to:
Box A8331, Financial Times
10 Cannon Street, London EC4P 4BY

U.S. Equity and Eurobond Market

New and expanding securities house has vacancies for American Equity Sales Executives and Eurobond Sales Executives to establish respective departments. Applicants with outstanding reputations should have at least 3 years' experience in their fields. They should also be ambitious and able to generate business on their own initiative.

Independent Fund Managers

We can offer you office space, a low cost dealing facility, and research plus other attractive benefits.

Please reply to Box A8328, Financial Times
10 Cannon Street, London EC4P 4BY
If you have any interest in either of these advertisements

Authorised Clerk

Phillips & Drew have a vacancy for an experienced institutional equities dealer. Preferred age 20-30. We offer a competitive salary, bonus, £1 per day luncheon vouchers and annual season ticket loan. There are initially 20 days' annual holiday entitlement.

Please write, enclosing curriculum vitae, to:
Miss Deborah Harman
Phillips & Drew
120 Moorgate, London EC2M 6XP

Director £20,000 Glasgow

Employee Benefits and Personal Financial Planning

Stewart Wrightson are leading Consultants in the field of Employee Benefits and Personal Financial Planning. We are represented in the major centres throughout the UK and are able to offer clients a full range of consultancy, actuarial, administration and financial services. We are now seeking to appoint a director to manage the development of this branch of our business in Scotland.

- The successful applicant will:
- be able to demonstrate a successful work record, particularly in new business acquisition at the highest level
 - provide management skills with particular emphasis on motivation, communication and planning

- have appropriate professional qualifications
- presently hold a responsible position in a major consultancy, probably with past experience in other sectors.

The remuneration package includes a company car, a non-contributory pension scheme, an employee share scheme and a generous relocation expense package will be available. There are real prospects for career advancement.

Please write in the first instance setting out brief details of your achievements to date together with your aspirations to:

Gordon Davidson, Managing Director,
Stewart Wrightson (Scotland) Ltd.
48 Vincent Street, Glasgow G2 5TP.

Initial interviews will be held in London and Glasgow.



**Corporate Finance
Junior Management**

Expansion of the Corporate Finance Division of Standard Chartered Merchant Bank Limited has created a vacancy for a young professional at Assistant Manager level.

Applicants should be Chartered Accountants and/or Lawyers with two to five years' post-qualification experience, gained in a City environment, of acquisitions and new issues. Experience of leasing would be an advantage.

Standard Chartered Merchant Bank, recently enlarged by the acquisition of MAIBL PLC, is a substantial merchant bank with total assets in excess of £15 billion. The Bank is a wholly-owned subsidiary of Standard Chartered Bank PLC, Britain's largest independent international bank which has over 1900 offices in more than 60 countries and subsidiary and associated merchant banks in many important financial centres overseas. Candidates should be prepared to serve overseas on secondment from London if required.

An attractive salary, substantial fringe benefits and excellent career prospects are offered.

Written applications, with a full curriculum vitae, should be sent in confidence to:

The Personnel Manager,
Standard Chartered Merchant Bank Limited,
35-36 Gracechurch Street, London, EC3V 0AX

Standard Chartered Merchant Bank Limited

**CHIEF
ADMINISTRATOR**

Small London-based subsidiary of leading oil company wishes to appoint administrative manager to co-ordinate existing routines and ensure smooth integration of new equipment and facilities such as computing under the direction of the managing director, as well as undertaking some special assignments at the latter's request. The person appointed will have oil industry experience, be a good organiser, able to gain the confidence of existing staff and able to advise on productivity improvements as the company develops. Candidates must have a sound appreciation of the evolving field of office technology relevant to the needs of the professional staff and thus be able to make constructive proposals for advancement.

Please send full details of age, experience and salary expectations to:

THE MANAGING DIRECTOR, PETRONAL,
129/130 PARK LANE, LONDON W1Y 3AD

**A direct line to the
executive shortlist**

InterExec is the only organization specialising in the confidential promotion of senior executives. InterExec clients do not need to find vacancies or apply for appointments. InterExecs qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a manually exploratory meeting telephone:

InterExec
London 01-930 5041/8 19 Chancery Lane, W.C.2
Bristol 0272 277315 30 Baldwin St.
Edinburgh 031-226 5680 47a George St.
Leeds 0532 450243 12 St. Paul's St.
Manchester 061-236 8409 Faulkner Hse, Faulkner St.

The one who stands out

Dynamic, creative, young, qualified or near-qualified

ACTUARY
sought for expanding

CONSULTING ACTUARIAL PRACTICE

Applications should be in writing in the first instance. Please address applications to:
Nigel Sloan, Nigel Sloan & Co., 177A Finchley Rd, London NW11 8RR
All applications will be treated in strictest confidence

International Economist

NOMURA RESEARCH INSTITUTE, Japan's leading economic research organisation seeks an economist to work in its London office.

Applicants should be able to cover a variety of assignments on subjects such as financial markets and European economies and should preferably have had at least two years' experience in the field. However, recently qualified graduates with a very good economics degree and a particular interest in Japan would also be considered.

The post offers the challenge of close contact with Japan through NRI's Headquarters alongside involvement in local City activities.

The position is located in the City with a starting salary of c. £14,000 according to age and experience.

Please write with full curriculum vitae to:

The General Manager
Nomura Research Institute
3 Gracechurch Street
London EC3V 6AD

**STOCKBROKER'S PERSONAL
ASSISTANT**

A personal assistant to a partner is required by a Manchester firm of stockbrokers. The person appointed will be required to assist in advising mainly private clients on investment and associated matters but will also be expected to maintain accurate records and statistics of portfolios. The position could lead to ultimate partnership if appointee is found to be suitable. Previous experience in this field is important but not essential.

Write Box A.8334, Financial Times
10 Cannon Street, London EC4P 4BY

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Corporate Finance

Edinburgh, from £20,000 + car

The opportunity to lead a new function which is part of the planned development of this leading financial organisation. Applicants, graduates, aged 30 plus, will have at least four years' relevant experience gained within a merchant banking or similar financial institution and a successful record to date in advising clients on all aspects of corporate finance. Professional ability and interpersonal skills are essential to maximise the potential business opportunities created by the existing operation. First class conditions include non-contributory pension, profit sharing, low interest mortgage facilities, and the opportunity for further personal advancement.

J.C. Brown, Ref: 31644/FT. Male or female candidates should telephone in confidence for a Personal History Form 041-221 2585,
127 St. Vincent Street, GLASGOW, G2 5JR.

Business Development Manager - Capital Markets
Develop Major Involvement in New Issues
Package c£20,000

The City-based European subsidiary of a large international financial corporation is rapidly expanding its involvement in bringing Eurobond straight and equity related issues to the market.

A Business Development Manager is now sought to further enhance the Company's enviable reputation by assisting in the development of marketing strategy and mobilising activities and relationships with other Lead or Co-Managers.

Aged 25-30 years, you will have a legal or accountancy qualification and probably 2-3 years' experience in the Syndication department of a Merchant or Investment Bank.

(This position is open to both male and female applicants.)

Cripps, Sears

**CASINO
MANAGEMENT
COMPANY**

If you are interested in managing the casino in an hotel which will be built on a beautiful Indian Ocean island and operated by an international hotel chain, please write to:

MR KHAN
VIA CANTONALE
CH-6515 GUDO
SWITZERLAND
Fax: (93) 31 43 63
Telex: 846198

**INTERNATIONAL BANK
seeks
MONEY MARKET
CONSULTANTS**

to advise multinational companies in Europe
One Deputy General Manager
One Money Market Consultant

Must have some Money Market experience and be able to speak and write concisely in the English language. Some travel would be involved.

Please send letter with an attached résumé to:
Consulting Division, P.O.B. 723, Luxembourg
Telephone: 475505



ASTLEY & PEARCE (BENELUX) S.A.

We require staff with international money market experience to assist in our Luxembourg operations. Knowledge of German would be useful.

Apply: Mr. K. Cook, Astley & Pearce (Benelux) S.A.
13 Rue Notre Dame, Luxembourg

MANAGING DIRECTOR

We can offer an exceptional opportunity to the person with experience as a Managing Director of a company with international scope. We specifically need the person who has developed their career through the Marketing/Sales discipline and who is capable of continuing the growth of a large (£200-million+ turnover), highly successful, London-based international company. Our preference is for the person whose experience has been in consumer-orientated products.

Please send C.V. to Box A.8323, Financial Times,
10 Cannon Street, London EC4P 4BY

**CANADIAN IMPERIAL
BANK OF COMMERCE**

TRUST MANAGEMENT

Canadian Imperial Bank of Commerce requires individuals with the qualifications and experience necessary to assume senior management positions in its subsidiary Trust Companies located in The Bahamas and Cayman Islands.

Preference will be given to those applicants with appropriate experience in an offshore tax-haven. Responsibilities will include all aspects of management of medium-size Trust Companies and involve contact with international clients utilising offshore financial services in The Bahamas and Cayman Islands. Applicants should be professionally qualified with at least 5-10 years' experience at senior management levels. Attractive salary and benefits are offered.

Detailed résumé should be forwarded to:
The Personnel Manager, Canadian Imperial Bank of Commerce,
55 Bishopsgate, London EC2N 3NN.

Banque Nordeurope S.A.

SENIOR LENDING EXECUTIVE

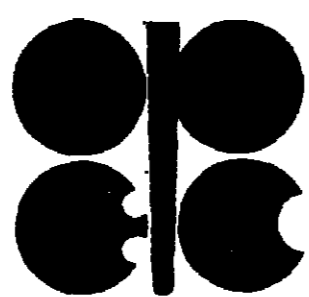
We are a multinational bank active in the Euromarkets with a particular lending emphasis towards the Nordic countries. Our shareholders are: Caisse des Dépôts et Consignations, Paris, Fællesbanken for Danmarks Sparerkasse A/S, Copenhagen, Girozentrale und Bank der österreichischen Sparkassen AG, Vienna, Skopbank, Helsinki, Swedbank, Stockholm, Union Bank of Norway Ltd., Oslo, and WestLB, Luxembourg.

We are looking for the head of our credit department who should have a professional qualification and several years of experience at a senior level in international banking, particularly in the lending field.

The successful candidate will be about 30-35 and will report directly to the Managing Director. He will be responsible for the development of new lending opportunities as well as the coordination of the existing business. This will also involve working closely with the shareholder banks as well as associated institutions.

Remuneration will be negotiable and commensurate with the high qualification and experience demanded. Candidates should apply in writing enclosing a curriculum vitae to:
Mr. D.R. Engel
Managing Director
Banque Nordeurope S.A.
47, boulevard Royal
L-2012 Luxembourg

International Appointments



OPEC SECRETARIAT VIENNA

has openings for nationals of its member countries

(Algeria, Ecuador, Gabon, Indonesia, Islamic Republic of Iran, Iraq, Kuwait, S.P. Libyan A.J., Nigeria, Qatar, Saudi Arabia, United Arab Emirates & Venezuela.)

Highly qualified individuals with a broad knowledge in the Energy and Oil Industry are sought for the following challenging and rewarding positions:

HEAD, ECONOMICS & FINANCE DEPARTMENT

Education: University Degree in Economics

Age: 35-50

Experience: Minimum of eight years' experience, of which at least three should have been spent in positions of high-level administrative responsibility involving economic research. Experience should include participation in conferences and high-level meetings. General knowledge of the economics of the petroleum industry required, preferably with experience in economics departments of oil ministries or national oil companies. Fluent command of written and spoken English essential.

HEAD, PERSONNEL & ADMINISTRATION DEPARTMENT

Education: University Degree in Accounting, Business or Public Administration or Personnel Management.

Age: 35-50

Experience: Minimum of ten years' experience, of which at least five should be in positions directly related to the oil industry, and three in high-level administrative positions. Previous experience in supervising budgeting and accounting, manpower planning, recruitment and personnel administration as well as administration of staff training and development programmes. Fluent command of written and spoken English essential.

HEAD, PUBLIC INFORMATION DEPARTMENT

Education: University Degree in Public Relations, Media Studies, Information Science or Business Administration.

Age: 35-50

Experience: Minimum of eight years' active engagement in the fields of PR, information or journalism. Knowledge of energy-related industries essential. Ability to plan, co-ordinate and implement PR campaigns, together with the capacity to communicate effectively and inspire personnel essential. Fluent command of written and spoken English essential.

Very attractive tax-free salaries; benefits include family allowance; housing allowance; education grant; free medical insurance; generous leave allowance; paid home leave every two years; installation and removal allowances. Selected personnel will enjoy DIPLOMATIC STATUS for the duration of employment.

Applicants should send a detailed curriculum vitae with job history and salary progression, as well as recent photograph, to:

OPEC Personnel and Administration Department, Obere Donaustrasse 92, A-1020 Vienna.

Senior Managers Partnership Potential

East and Central Africa

Our client is one of the leading international firms of Chartered Accountants with a strong presence in the African Continent. As a result of continued growth, the firm has identified a requirement for two high-calibre Senior Managers with a strong track record in audit, general practice or management services.

Candidates, aged 28-36, will be commercially aware Chartered Accountants, possessing strong communicative and practice development skills who have demonstrated rapid career progression in either Public Practice or Industry/Commerce.

Whilst the appointments will initially be for two years, there are excellent partnership prospects in the short or long term.

The lifestyle in Africa is unique and offers exciting opportunities for travel, sport and outdoor pursuits in a good climate. Furthermore, our client is offering highly competitive salaries as well as free accommodation, a car and generous benefits in all locations.

Applicants should contact Allan Marks, quoting ref. 430, at Michael Page Partnership, P.O. Box 143, 31 Southampton Row, London WC1B 5HY. Telephone: 01-405 0442 (telex 296091). All applications will naturally be treated in the strictest confidence.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Dow is one of the leading international chemical companies with an enviable reputation for growth, innovation and profitability. We need your support as

Cash Manager

Our activities in Germany cover Industrial Chemicals as well as specialty chemicals plastics and pharmaceuticals. Our turnover exceeding DM 1 Billion, plays a major part in the worldwide success of our organization.

Based in Frankfurt and reporting to the Treasurer for DOW in Germany, you will be responsible for the day to day funding of our operation and manage cash as well as currency exposure. Other activities include financial planning and reporting along with assisting the Treasurer in negotiating with banks to generate financing for new capital investment programmes.

Aged 28/32, preferably German, you will be currently working either in a bank or in the financial department of an industrial corporation and have gained experience in foreign exchange and money markets, credits and accounting. You are fluent in English.

Career prospects are excellent both in Germany and elsewhere in the Dow network. Please write giving full details of your background and experience to:

DOW CHEMICAL Service GmbH
Att. Mr. Dave Hutcheson Poststrasse 1, 2180 Stade West-Germany.

DOW

Fixed Interest-Bonds

Trainee Institutional Sales Executive

Salomon Brothers International has an opening for a trainee sales executive to expand their highly successful Bond department serving institutional clients.

The person we seek must have at least 2/3 years' experience in banking/finance and, ideally, be fluent in German. The individual must be self-motivated, interested in sales and desire to succeed in a highly competitive market.

Based in London, the appointment offers broad international opportunities and the potential for an outstanding career, matched by an attractive remuneration package.

Applications, with details of career to date, should be sent to Mr Ronald Pearrow.

Salomon Brothers International

One Angel Court, London EC2R 7HS

AMERICAN EXPRESS Middle East

Continued expansion in the Middle East markets of our travel-related services activities comprising card, travellers cheque and travel business have led to the creation of the following positions:

DIRECTOR STRATEGIC BUSINESS DEVELOPMENT

Based in Bahrain and reporting to the General Manager, Middle East, this position should suit candidates capable of assuming senior-line responsibilities in a dynamic environment within two years. Critical requirements include an MBA or equivalent degree; fluency in Arabic and English languages; and at least three years' commercial experience, preferably in a financial services environment.

AREA SALES MANAGERS

Reporting to the Marketing Director, several positions in various Middle East locations for the development of card and travellers cheque markets in the Gulf and Eastern Mediterranean. Requirements include age range of 25-40 years; fluency in Arabic and English languages; minimum GCSE 'A' level or equivalent education; and the motivation and entrepreneurial flair to grasp opportunities in fast-growth markets. Some sales or financial services experience preferred.

Attractive compensation and benefits terms will be offered to successful applicants and induction training will be arranged as required.

Applicants should write to V. Sianic at the following address, enclosing full curriculum vitae.

American Express International Inc.
c/o 171-173 Preston Road
Brighton, Sussex BN1 6BX

International environment

for our headquarters located in
PARIS
we are seeking

GRADUATES (MBA OR EQUIVALENT) FOR FINANCIAL POSITIONS

In the areas of:
Financial Planning - Financial Services
Treasury Operations - Business Controls

(Ref. DF/FT)

FOR PLANNING POSITIONS

In the areas of:
Manpower Planning (Ref. DPE/FT) Inventory Management (Ref. DPG/FT)

The requirements are:

- ability to communicate and to work in an international environment.
- initiative and drive to work effectively with minimum supervision.
- aptitude and ability to work with Data Processing equipment.

Candidates must have the ability and inter-personal skills to work in the international environment of our European Headquarters where the working language is English. Applicants should address their C.V. to IBM EUROPE, Recruiting Department, Tour Pascal, Cedex 40, 92075 Paris la Défense (France) quoting the position reference and for those applicants outside the EEC, a copy of their work permit.

IBM

TOP FLIGHT SALES EXECUTIVES

International commodity portfolio manager needs experienced mutual fund salesmen willing to be based in Brussels and to travel extensively.

Please send complete resume to: BERNARD PUTZ

Dunn & Hargitt Research S.A.
Avenue Lloyd George 6, Bte. 5
1050 Brussels, Belgium

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals; relating to employment of expatriates and nationals worldwide

01-637 7604

AVIATION BROKER

Our clients seek an Aviation Broker to head up their Aviation Division in an African country. The ideal candidate will be able to develop and manage a sales team of up to 10 salesmen with a proven track record of sales and the ability to deal with clients at a senior level. This is an immediate appointment offering a good salary and career. Please telephone or write with CV to: 4-6 Cornhill Avenue, London EC2R 7DA. Telephone: 01-628 4200

Hong Kong

Circa £25,000 after tax

Manager- Credit & Marketing

Scandinavian Far East Limited

We are the leading Scandinavian international banking group established in London in 1969 by major banks in the Nordic countries providing a full range of wholesale, commercial and merchant banking services.

We employ over 40 people in our wholly owned subsidiary in Hong Kong which has recently been upgraded to a Licensed D.T.C. As part of our expansion we require an additional manager to join the existing marketing team.

Ideal candidates will be aged in their late 20's or early 30's, have a good general banking background and be skilled in credit evaluation. They should already have had experience of corporate calling in one or two countries in Asia and have an understanding of banking services required in the Far East.

This is intended to be a career appointment. After a period in our Head Office in London the successful candidate will be expected to undertake a tour in Hong Kong. Thereafter he/she should continue his/her career in the Scandinavian Bank Group which employs 650 people throughout the world.

An attractive remuneration package including a tax free salary negotiable around the equivalent of £25,000 plus free accommodation together with other valuable benefits will be available.

Please apply, enclosing a c.v. to:

David Woodward
Scandinavian Bank Limited
Scandinavian House
2-8 Cannon Street
London EC4M 6XQ

Scandinavian Bank Group

**INTERNATIONAL APPOINTMENTS
ADVERTISING APPEARS EVERY THURSDAY**

إعلان التوظيف

Accountancy Appointments

FINANCE MANAGER

Aged 26-32 c.£13-15,000+Car
Based Home Counties (West)

Our client is a medium sized and very profitable group with substantial City backing. Continuing expansion and the search for potential acquisitions, with the likelihood of a USM placing in the near future, has given rise to a requirement for a Finance Manager.

The position reports to the Finance Director and carries responsibility for the day to day management of the finance function. This will involve the presentation of management and financial accounts to strict deadlines, cash management, the preparation and monitoring of forecasts, maintenance and development of accounting systems which are fully computerised, and the management of 5 staff.

Prospective candidates must be qualified accountants and be familiar with computerised systems. As a member of the senior management team, a commercially minded individual will have ample scope to make a positive contribution to the improvement of the business. A successful candidate needs to be capable of growing with the Company and taking increasing responsibility.

Interested applicants who can display drive and enthusiasm should apply to Peter Flammiger at EMF International, Northumberland House, 303-306 High Holborn, London WC1V 7JZ (Tel: 01-405 9581).

EMF International

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Chief Accountant

Food Industry

West of London, c.£20,000 + car

A key appointment within a major food manufacturing Company, supplying a wide range of products, including numerous brand leaders to the retail and wholesale trade. Responsibility is to the Finance Director for the management of the accounting function, ensuring that the financial records and controls meet all professional, legal and corporate requirements. Additional key areas of control cover treasury, including banking relationships, group taxation and insurance. The position and career prospects will appeal to high flying Chartered Accountants, aged broadly 30 to 40, preferably with a large professional practice background and senior financial management experience with a medium to large scale manufacturing business using computer based systems.

B.F. Hoggett, Ref: 10366/FT. Male or female candidates should telephone in confidence for a Personal History Form 0532-448661, Minerva House, East Parade, LEEDS, LS1 5RX.

Oil Tax Manager

Our client, a leading international firm of chartered accountants, is looking for a tax specialist to join its Energy tax group at manager level.

Candidates will be qualified accountants, or have a relevant Revenue background, (aged about 30) with at least 5 years' corporate tax experience. They will be able to communicate effectively at all levels. Previous oil tax experience is preferred.

The position offers an excellent opportunity to the successful candidate to acquire high level experience in this demanding and challenging area of taxation.

The successful candidate will support two principals in the Energy group and will assist in the provision of tax advice relating to complex problems in the oil industry, and will also be responsible for compliance work and negotiations with the Inland Revenue on behalf of the firm's oil industry clients.

Salary will be commensurate with experience and the responsibility of the position offered and a car will be provided.

Please apply in confidence giving personal and career details and mentioning any company to whom you do not wish your application to be forwarded to: Sue Wallworth.

IAS

LONSDALE ADVERTISING SERVICES LTD

Hesketh House, Portman Square, London W1H 9FG Tel: 01-486 5877

Finance Director

Oxfordshire

£20,000+car

Our client is a young, privately-owned company in the high-technology sector. The 1983 turnover is expected to be £3 million while a £5 million turnover is forecast for next year. This unparalleled growth, internal re-organisation and further expansion plans have created the need for a high-calibre Finance Director to participate in the company's future development.

Candidates, ACAs/ACMAs will be in their mid-30's with a proven track record in a marketing or progressive service industry environment.

Reporting to the Managing Director, the position is responsible for the accounting function, which is due for re-organisation along more efficient and formal lines, therefore technical expertise and organisational ability are essential. To assist with the corporate development programme, the role will involve acquisition studies, bank negotiations and liaising with external parties.

For someone with a strong personality, initiative and entrepreneurial flair, the rewards of this challenging position are excellent - both in terms of remuneration and career fulfilment.

Candidates should write to Philip Cartwright, ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 949, R.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

A rare opportunity in...

CORPORATE FINANCE

Manchester

£20,000 - £25,000

Our client, a prestigious and highly successful firm operating in the financial service industry requires an ambitious Chartered Accountant to join their corporate finance team.

Working closely with the Director of Corporate Finance the appointee will be involved in all aspects of the department's operations and will play a significant role in the further development and expansion of the firm's corporate finance activities.

The successful candidate, probably aged 28-35, will possess a proven academic and career track record, and probably have gained wide experience at a senior level with a major firm of Chartered Accountants. Specialist experience of corporate finance and new issues would be useful but is not essential.

This important and challenging role will require a high level of interpersonal skills, together with a self motivated and commercial approach. The career and salary prospects are excellent. A non contributory pension scheme and bonus scheme are in operation.

Initial interviews will be held in London and Manchester. Interested candidates should forward c.v.'s to Brian Marren at our Glasgow office.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS
LLAMBIAS

Douglas Llammbias Associates Limited
Accountancy & Management
Recruitment Consultants

DIA

FINANCE AND ADMINISTRATION CONTROLLER

Age 28 - 35

London SW6

up to £17,500 + car

Due to rapid and continuing growth a successful company of Importers and Distributors to Major Departmental Stores and Independent retailers and part of an international group operating in Scandinavia, Europe and USA, requires a Finance and Administration Controller, who will report to the Managing Director.

The responsibilities include:

- Production of timely and accurate monthly, six monthly and annual accounts and reports for submission to Company Headquarters in Denmark.
- Liaison with UK auditors on statutory accounts
- Production of six monthly and longer term budgets to tight deadlines
- Effective cash management including cash forecasting, funds management and credit control
- Management of Accounts Department, Shipping Department, Warehousing Department and sales office staff including supervision, motivation, training, development and where necessary recruitment and disciplinary action
- Further development of computerised systems

Candidates should be qualified accountants in the age range 28 - 35 with several years' post-qualification experience in a commercial environment. Must have proven managerial and commercial ability.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting reference 2128 to W L Tait.

Touche Ross & Co. Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR
Telephone: 01-353 8011

A member of the Management Consultants Association.

AUDIT ASSISTANT

Old established London Merchant Bank requires an audit assistant to join its Internal Audit Department. AIB and/or accountancy qualification essential. Salary negotiable.

Please apply with full cv to:

Mr Peter Thring
ERNST & WHINNEY
1 Lambeth Palace Road
London SE1 7EU

Indicating the name of any bank to which you do not wish your application to be sent

Financial Controller

Exciting New Business Opportunity

c. £15,000 + car
Tonbridge, Kent

Our client has set up an exciting venture to market a wide range of small electrical goods under a well-known personality brand name. The initial launch will be a range of products in the hair and personal care fields and the enthusiastic initial response from the trade is already confirming earlier predictions of substantial growth potential in these areas. Further growth is planned in other areas later.

Sound financial backing has been arranged and what is now required is an enthusiastic and able young Qualified Accountant to control the finances and administration and to contribute to the company's growth and prosperity.

Applicants should be aged 27 to around 30, preferably chartered, with at least two years experience in commerce, ideally in a f.m.c.g. environment.

An attractive remuneration package will be negotiated and there are excellent prospects of a Board appointment within the short term.

Please send concise details including salary and day-time telephone number, quoting ref. M2012, to W S Gilliland, Executive Selection Division.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Financial Controller

Central London

c.£16,000 + car

Following a recent reorganisation our client, importers of handbags and luggage, has identified the need to appoint a qualified accountant aged over 35 to assume total responsibility for its accounting function. Reporting to the Board, you will manage and motivate a small department whilst improving and developing computerised accounting systems with particular emphasis on stock control, cash and credit management and

management information. Ideally you should have some experience of the fashion industry but more importantly of computerised accounting systems and be looking to take an active part in the rejuvenation and expansion of a medium size company marketing well respected products to 'household-name' customers.

Contact John P Sleigh FCCA
on 01-405 3499
quoting ref. J61/FF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Finance Director -Scotland

TI Matrix Engineering Limited design, manufactures and markets a range of industrial power transmission products and undertakes sub-contract manufacture for a range of engineering industries. The Company, whose turnover is approximately £4m and has just under 200 employees, is part of the TI Group and operates as an independent unit in accordance with the group's de-centralised management approach.

The Company wishes to appoint a Finance Director who will be responsible for the total finance function which includes the Company's own data processing facility. The Finance Director will be part of the Company's senior management and will be expected to

develop a good understanding of the business to enable him to play a wider role in the Company's affairs.

The position is likely to be of interest to a qualified accountant in his/her mid-thirties who has already had considerable breadth as well as depth of financial and commercial experience within a manufacturing environment. Further development beyond this position could be within the TI Group.

The Company is based in Brechin and relocation costs will be met where appropriate. A competitive salary will be offered together with car and other benefits which are consistent with large company practice.

Applications should be addressed to The Director and General Manager, TI Matrix Engineering Limited, Brechin, Angus.

TI

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY

Merchant Banking

CORPORATE FINANCE EXECUTIVES c. £20,000 or more

Our clients, among the leading and more prestigious Merchant Banks in the City, would like to hear from outstanding graduate Chartered Accountants, aged under 35, who have two or more years' current experience working in the Corporate Finance Department of a Merchant Bank. Benefits include a subsidised mortgage, BUPA and NCP.

Prospects are, of course, OUTSTANDING. We would also like to meet graduate Chartered Accountants aged 24-30 who have trained with a "Big Eight" firm, with experience of financial institutions (gained within or outside the profession) or insolvency/investigations work.

Please telephone and send your curriculum vitae to:

Barry C. Skates
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1N 7RH
Tel: 01-637 5227 ext. 281/282

GROUP ACCOUNTANT

Lake District

Company Car

West Cumberland Farmers Ltd is the UK's largest agricultural co-operative with a turnover in excess of £180 million. The business, which is to supply farm requisites and market outputs from its members' farms, is supported by a network of warehouses and production units covering the north of England and central and southern Scotland.

The need is for a highly motivated qualified accountant who is capable of establishing an effective central Finance Function in addition to the Finance/Management accounting control. The successful candidate, who will be based at Carlisle, will be responsible for the co-ordination of Corporate Plans/budget, financial modelling, trend projections, the appraisal of company fundings and development of a treasury role. Candidates aged 28-40 with a sound industrial trade record, seeking a real career move are invited to apply for this exceptional opportunity.

The salary and conditions are appropriate to a large progressive organisation.

Applications, enclosing CV should be made in strict confidence to:

Mr J. P. Ferguson
Group Personnel Manager
West Cumberland Farmers Ltd
Group Headquarters
Gelsdale, Wetheral, Carlisle, Cumbria CA4 8LF

F

PA to Chairman

Chairman of active, City based, fund management and issuing house seeks a personal assistant. Successful applicant is likely to be a qualified Chartered Accountant with some City or industrial background.

Reply in confidence to box A8330, Financial Times, 10 Cannon Street, London EC4 4BY.

Accountancy Appointments

Young Group Accountant

Recently Qualified

Oxford Area
c £13,000 + Car

This small but successful group of manufacturing companies (turnover £12 million) is engaged in a rapid expansion both organic and by acquisition.

The Finance Director is looking for a "right-hand" Group Accountant to work closely with him in a small head office and taking responsibility for corporate accounting, monthly management reporting and cash management as well as participating in acquisition analysis and evaluation.

The position calls for a Qualified Accountant, aged mid to late twenties, with at least two years post qualification experience including ideally some investigative reporting and a sound commercial awareness. It will be particularly attractive to someone wishing to join a small top level management team with the ambition and financial resources to build up a very prosperous and well managed business.

They offer an attractive remuneration package including a car, relocation assistance and profit sharing scheme.

Career prospects in this forward looking group are first-class.

Please send concise details including salary and day-time telephone number, quoting ref: M2013, to W S Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Financial Controller/Director Designate

International Trading
London West End
to £18,000 + Car

Our client is the UK subsidiary of one of the world's top general merchants, dealing in a wide range of commodities and manufactured goods. They employ around 40 staff at their West End headquarters.

London is already one of the group's most important offices overseas and there are ambitious plans to expand its activities further.

High level financial expertise will be critical and they are now anxious to recruit a top calibre Financial Controller to be responsible to the Managing Director for all financial, treasury and administrative aspects of the business.

They are seeking a Qualified Accountant, aged 30 to 40, with several years' wide commercial experience including importing/exporting. Experience of computer based systems is essential.

There are excellent prospects of a Board appointment in the short-term and the remuneration package is all you would expect of an appointment of this importance.

Please send concise details including salary and day-time telephone number, quoting ref: B2004, to W S Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

A Belgian group, whose activities are primarily in the chemical field, requires a treasurer and a chief accountant for its holding company in Great Britain. Both appointments, reporting to the U.K. company's finance director, will be based in Watford.

TREASURER

The treasurer will assist the finance director in setting up a system to control borrowings and investment of surplus cash, foreign currency management, leasing arrangements, and banking and financing arrangements for the British companies as a whole. Applicants should preferably be young graduates with appropriate experience in finance, treasury or corporate planning functions of a large multi-national group, have some talent in languages and be prepared to travel. They should see their career development in terms of the group as a whole.

Reference 1954/A.

CHIEF ACCOUNTANT

The chief accountant will be responsible, with an assistant accountant, for the central accounting services in Great Britain, the day to day accounting being delegated to the accountants of the active subsidiary companies. Specific responsibilities will include the consolidation of all information relating to the British Companies, two of which are quoted, and the production of their statutory annual reports and accounts. Applicants should be professionally qualified accountants, technically highly skilled and experienced. They should be up to date in current accounting standards and strong in current tax.

Reference 1954/B.

The remuneration package for each appointment includes a salary commensurate with age and experience, plus car and running costs, BUPA, contributory pension scheme, removal and relocation allowance and five weeks annual holidays.

Applicants should write, in confidence, with full details of previous experience and current salary, quoting the appropriate reference number, to John Hills,

Annan Impey Morrish

Management Consultants

4043 Chancery Lane, London WC2A 1JJ.

A.I.M.

Internal Auditor

c.£16,000 + car

Cannon Assurance Limited provides service to 150,000 policyholders via a force of 500 sales associates operating out of a nationwide network of area offices. Our interests include all types of life assurance with the emphasis on unit linking, pensions, and unit trust management. We rely extensively on sophisticated computer systems. Rapid response to a changing market and our development strategy create a constant need to review the effectiveness of our accounting and administration, which has led to the upgrading of our internal audit function.

Reporting to the Director of Administration, the Internal Auditor will have responsibility for determining a comprehensive programme of financial auditing throughout the Cannon group of companies in the UK. The jobholder will also be required to consider matters of operational efficiency and

a positive contribution is expected.

Candidates, men or women, aged 26-35, should be qualified accountants, preferably graduates, with audit experience gained either with a major accountancy firm or with a company operating in the financial services sector. Communication skills, a professional outlook, and the ability to gain the confidence of senior management will be a pre-requisite.

Cannon offers an excellent remuneration package, including a car, a non-contributory pension scheme, free membership of PPP subsidised mortgage facilities, and relocation assistance where appropriate.

Write with full details of experience and salary to Miss S. A. Newman, Personnel Manager, Cannon Assurance Limited, 1 Olympic Way, Wembley, Middlesex, HA9 0NB.

Cannon Assurance

A Member of the Cascade Group of Canada

Management Accountant

Challenging Role in City Merchant Bank

As an expanding British Merchant Bank which offers a wide range of banking and financial services, the development of information systems to enhance management and financial control over our business is of vital importance.

We wish to recruit an experienced Management Accountant to continue the development of our management information and control procedures. The position will involve exposure to all aspects of Banking and requires a high degree of creativity and initiative.

In your late 20's or early 30's, you are a qualified Accountant, perhaps also an MBA, with experience in Banking or a related financial services company. Experience with microcomputers would be an advantage. Good communication and analytical skills and the ability to work on your own initiative are essential. Salary and benefits will be commensurate with experience and qualifications.

Please write in confidence enclosing full c.v. to A. R. Merchant, A P Bank Ltd., 21, Great Winchester Street, London EC2N 2HH.

Financial Controller

S. Bucks

around £14,000 + car

The rapid expansion of our client, a public group engaged in the distribution of engineers' supplies, has resulted in the creation of the position of Financial Controller for its principal subsidiary. The successful candidate will assume responsibility for all the accounting functions and in particular will be required to reorganise and up-grade the present computer systems with a view to developing and streamlining the flow of management information. Candidates must be Chartered Accountants (male/female) aged 28/33 who are eager to join a growing company where the account is on hard work combined with entrepreneurial flair. Ref: 1283/FT. Write or telephone for an application form or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156.

Phillips & Carpenter

Selection Consultants

Senior Tax Accountant International Oil Company

Due to internal promotion, the opportunity has arisen for a senior tax accountant to work as part of a small dynamic team within our London based taxation department. The successful applicant will work on both U.K. and U.S. taxation compliance requirements particularly but not wholly within the oil taxation area.

We are looking for a qualified accountant, man or woman, who has a legal qualification or membership of the Institute of

Taxation and at least 3 years' post qualification taxation experience.

A highly competitive starting salary plus the normal progressive benefits package expected of an international company, will apply. If you are interested in this career opportunity, please write, in confidence, giving brief career and personal details to: Jane Cornfield, Employee Relations Supervisor, Occidental International Oil Inc., 18 Palace Street, London, SW1E 5BQ.

CHIEF FINANCIAL OFFICER

London

c.£18,000 & car

This is a rapidly growing company with blue-chip financing and support, geared to achieve multi-million pound turnover internationally within four years. Several of its 'own manufacture' high technology closed-circuit entertainment, education and conference systems, are successfully operating and there are matured plans for product range extension. The chief financial officer will be a key member of the small team running the UK, European and US operations and will be required to make a wide contribution in the total area of finance, administration and business planning. Well educated, seasoned applicants in their 30's, must have a successful career embracing financial and management accounts, systems, administration, budgets, forecasts and EDP. Commercially aware chartered accountants with well rounded professional and line skills, used to making a complete contribution in a market orientated environment, would be ideal.

Benefits include car, pension, medical and insurance options.

Please send full career history, in total confidence, to:

Giles Foy, quoting reference 884/FT, Crailfern Corporate Consultants Limited, 2 Berkeley Square, London W1X 5HG. Tel: 01-629 0682.



CRAILFERN
CORPORATE
CONSULTANTS
Executive Selection Division

Overseas Financial Control

Central London

c.£13,000 + benefits

One of the UK's most prestigious financial institutions seeks an ambitious qualified accountant, preferably aged mid-20's, for a new position in a head office team which is responsible for the financial control of its overseas activities. Emphasis will be on further development of management reporting and budgetary control and providing financial support to the London based overseas business management and accountants in operations worldwide.

In addition to preparing pertinent management information, you will undertake a range of special projects which may involve some overseas travel.

Future career prospects within this function and the group as a whole are extensive and the generous benefits include a subsidised mortgage and non-contributory pension scheme.

Contact David Tod BSc, FCA on 01-405 3499 quoting ref D/17/OF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

ACCOUNTANT

(preferably qualified)

required for leading Friendly Society in Royal Tunbridge Wells. All-round accounting and management ability is involved in the post.

The Society offers subsidised mortgage scheme, relocation expenses where necessary, non-contributory pension and permanent health scheme. Salary by negotiation.

The Society has over 100,000 members and assets exceeding £30 million. In recent years high growth rates have been achieved which are continuing. We would welcome an able and energetic member of the management team.

Applicants should apply in the first instance to the General Manager, Tunbridge Wells Equitable Friendly Society, 19 Mount Ephraim Road, Tunbridge Wells, TN1 1ER.

THE UNIVERSITY OF MANCHESTER

DIRECTOR OF FINANCE

Applications are invited for a new post of Director of Finance. The Director will be one of three senior administrative officers advising the Vice-Chancellor. The responsibilities of the officers have recently been reviewed, and the role of the Director of Finance will be challenging and demanding. Candidates should be qualified accountants with a high level of professional skill and experience who possess the managerial ability to lead a major administrative department. Salary will be not less than £20,000 p.a. Further particulars may be obtained from the Vice-Chancellor, the University, Manchester M13 9PL, to whom applications should be sent by November 14th.

P.R.L. Financial Appointments

U.S. HIGH TECH GROUP

Switzerland/Germany base. The international audit function is seen as the 'training ground' for potential senior management within this prestigious multinational. Consequently there are openings for bright and energetic Swiss and German nationals who speak good English, who have qualified as accountants with a major international firm. Career prospects are excellent for the top flight candidate which is also reflected in a generous salary package. Call Ian Dutton B.Sc. - Ref: 7010

CORPORATE FINANCE

City Bank. A leading merchant bank wishes to expand its team of corporate finance executives. For the young graduate accountant this is a chance to train in a fascinating and highly paid environment. The executive will be involved on a variety of projects including appraisal of potential acquisitions, valuations, right issues and listings. Call Valdek Cepulowski MA - Ref: 6949

FINANCIAL ANALYSIS

Central London. The Corporate Finance Team within the major U.K. group currently requires a high calibre young accountant to become involved in detailed analyses and investigations of potential mergers, acquisitions, new ventures etc. reporting at Board level. The role is identified as a management training position. Call Irene Conway MA - Ref: 6970

MANAGEMENT ACCOUNTANT - HI TECH

London. Our client a market leader in specialist computer software, seeks a young qualified accountant to join their expanding finance team. You will preferably have a Business Degree, and have gained post qualification experience in industry. Strong personal presence, and good communication skills are essential. Call Alexander Pinnau ACIS - Ref: 7040

ASSISTANT TO GROUP F.C.

Thames Valley. This company is one of the largest product divisions of a top 10 British multinational. Assisting with finance management, presenting reports to the board and in charge of business planning, the appointee will train for early controlship. Candidate should be graduate, chartered accountant with industrial experience at group or operational level. Call Bill Curries BA - Ref: 7048

Personnel Resources Limited

75 GRAYS INN ROAD, LONDON WC1X 1X BUS 01 242 6321

LEADING SPECIALISTS IN FINANCIAL APPOINTMENTS

Assistant Controller Europe

£14,000. A substantial US Retail Group with extensive overseas operations can provide an excellent career path for an ambitious Accountant. This non routine role encompasses extensive management involvement with operating Companies, Budgets, Forecasts and Strategic Planning. Will enjoy the challenge of Senior Management and potential Board Prospects in a fast moving and enterprising retail marketplace. Central London ref: 7140

International Banking

£12,000-£13,000 + Mort. A high calibre qualified accountant is currently sought to join the Management Development Programme of a major UK Banking Corporation. The initial opening in internal auditing is seen as an ideal training ground for potential management both in the Banking and Finance areas. Excellent prospects and a first class benefit package guaranteed. (C/R ref: 7222)

ACA First Move

£12,500-£13,500. High potential is undoubtedly one incentive offered by this well known multi-national. With sophisticated computer systems to avoid number crunching, the critical review of management information and audit projects, and the acquisition and group re-organisation will provide an excellent training ground for an Accountant of the right calibre. Central London ref: 7041

World Wide Travel - Oil to £15,000

US Multi-national Corporation requires an energetic young Accountant with experience gained either in Auditing or Management Accounting. This role offers extensive travel and involves operational audit leading quickly to a key line management position. London based ref: 7012

Assistant Financial Controller

£13,500 + car. Medium sized profit-leading division of large group is seeking a commercially minded accountant to assist in the full range of financial and management accounting tasks. Supervising the central accounts department you will assume a key management role in a growth orientated company. North West London ref: 7123



Lloyd Chapman
Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

COMPUTER AUDITOR

Salary £12,000 per annum plus benefits

We have been retained by a major International Insurance Group based in the City of London to interview suitable applicants for the responsible position of Computer Auditor. Our principals are seeking to recruit a recently qualified Chartered Accountant with significant experience in the Computer Audit Department of a large accountancy organisation. The responsibilities will include the development of the computer audit activities and software support, evaluation of systems developments and participation in general audits.

For a discussion in confidence please contact:

Trevor Jones, F.E.C.I.
Managing Director
IPS Group of Companies
Lloyds Avenue House,
8 Lloyds Avenue, London EC3N 3ES
Telephone: 01-481 8111



Accountancy Appointments

EDP Audit

Essex to £16,500+car

This U.K. subsidiary of a major U.S. corporation with interests in advance electronics, marketing and distribution has a sophisticated consultancy/audit function.

The various operating companies (turnover £200m) use a wide range of mainframe and mini computers for financial and operational purposes.

The control and security of these systems is a highly visible responsibility of management and audit.

Our client is now seeking a qualified accountant ideally aged between twenty-eight and forty with sound experience of data processing applications within industry to join a small team of specialists reporting to the Chief Internal Auditor.

Your audit experience will have been gained in either the profession or industry preferably combined with the use of audit software.

In addition to an attractive salary the large company benefits package includes a company car as approximately 40% of your time will be spent away from base.

Career opportunities are excellent within this diverse and successful group both within the U.K. and Europe. Please telephone or write quoting reference 7212.



**Lloyd Chapman
Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761

Group Treasurer

West End c£19,000+car

Our client is an international market leader in the manufacture and marketing of building and associated products and industrial contracting operations. Group turnover £230 million. An excellent opportunity has now evolved for a qualified ACA to head the treasury function.

Candidates must have 2-3 years' experience in a treasury role preferably in a multi-national or large international organisation.

Reporting to the Group Financial Controller, the appointee's main responsibility is to manage the group's borrowings and foreign currency exposure. This involves direct contact with financial institutions, managing foreign exchange, funding overseas operations, facilitating cost-efficient group funding, managing group cash flow and advising subsidiaries of all treasury-related matters.

Candidates should write to Philip Cartwright, ACMA, enclosing a comprehensive curriculum vitae, quoting ref: 950 at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.



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Chief Accountant

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This Public Company is well known in its field of consumer electronic equipment manufacture and has recently entered into new and exciting product areas. Reporting to the Finance Director, you will be responsible for: Reviewing and further developing computerised accounting system, setting up an integrated costing system and day-to-day control of the accounts function. A qualified ACA/ACCA, aged 30/40, you will have recent experience at senior level within a relevant industrial operation and be capable of applying yourself to the tasks at hand, the satisfactory execution of which will lead to further career developments.

Telephone 01-247 9431 (24hr service) quoting Ref. 0913/FT Reed Executive Selection Ltd, 122 Whitechapel High Street, London E1 7PT.

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CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)
SECRETAIRAT D'ETAT A LA PECHE ET AUX
TRANSPORTS MARITIMES
(State Secretariat for Fishing and Maritime Transport)

SOCIETE NATIONALE DU TRANSPORT MARITIME DES
HYDROCARBURES ET DES PRODUITS CHIMIQUES
(National Company for Maritime Transport of Hydrocarbons
and Chemical Products)

SNTH - HYPROC

NOTICE OF CALL FOR COMPETITIVE TENDERS

SNTH - HYPROC is launching a Call for Tenders open to national and international competitors for the construction of two (2) tankers of refined products each having a capacity of 3,000 T DW, one (1) tanker for the transport of bitumen having a capacity of 3,000 T DW and one (1) tanker for the transport of liquid petroleum gas (G.P.L.) having a capacity of 2,500 T DW. This Call for Tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other intermediaries etc. in conformity with the provisions of Law No. 78-02 of 11 February 1978 with respect to State Monopoly on Foreign Trade. Tenderers interested in this Call for Tenders may obtain the specifications from: SNTH - HYPROC, Direction Technique, Armement et Approvisionnement (Technical, Arms and Supplies Management), Zone Industrielle - ARZEW - PORT. Tenders, together with taxation and administrative documentation required by current law, should be sent in a double sealed envelope, stating clearly "A NE PAS OUVRIRE - APPEL D'OFFRE No. 002/83" by registered post to SNTH - HYPROC - BP 60 - ARZEW - ALGERIE (ALGERIA) within sixty (60) days from the date on which the present notice is published. Tenderers shall remain bound by their offers for a period of one hundred and twenty (120) days with effect from the final date for receipt of tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)
MINISTRE DE L'ENERGIE ET DES INDUSTRIES
PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX Puits
(National Oil Exploitation Company)

NOTICE OF NATIONAL AND INTERNATIONAL
CALL FOR TENDERS
NUMBER 9073.04/MF

The National Oil Exploitation Company (Entreprise Nationale des Travaux aux Puits) is launching an International Call for Tenders for the supply of:

DRILL-COLLARS (Masses - Tiges)

This Call for Tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other intermediaries etc. in conformity with the provisions of Law No. 78-02 of 11 February 1978 with respect to State Monopoly on Foreign Trade. Tenderers interested in this Call for Tenders may obtain the specifications from: Entreprise Nationale des Travaux aux Puits - 2, Rue du Capitaine AZZOUZ, Cote Rouge - Hussein Dey ALGER (Algeria) (Algeria), Département Approvisionnement et Transports (Supplies and Transport Department) - with effect from the date on which this Notice is published. Offers, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post to the Secrétaire du D.A.T. at the above address. The outer envelope should not bear any mark which might identify the tenderer, stating simply "APPEL D'OFFRES INTERNATIONAL Numéro 9073.04/MF - Confidential - A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 9073.04/MF - DO NOT OPEN, CONFIDENTIAL). Tenders must be received within sixty (60) days from the date on which the present notice is published. Selection will be made within 180 days from the closing date of this Call for Tenders.

CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTRE DE L'ENERGIE ET DES INDUSTRIES
PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE
(National Drilling Company)
"E.N.A.F.O.R."

NOTICE OF RESTRICTED INTERNATIONAL
CALL FOR TENDERS NO. IN 83

The National Drilling Company (L'Entreprise Nationale de Forage "ENAFOR") is launching a Restricted International Call for Tenders for the supply of:

BATCH OF ELECTRIC MOTORS of 25 to 75 hp in 50 and 60 Cycles (LOT DE MOTEURS ELECTRIQUES de 25 a 75 hp en 50 et 60 Cycles)

This Call for Tenders is intended for officially recognised manufacturing and distribution companies only and excludes amalgamations, representatives of companies and any other intermediaries etc. in conformity with the provisions of Law No. 78-02 of 11 February 1978, with respect to State Monopoly of Foreign Trade. Tenderers interested in this Call for Tenders may obtain the specifications from: "ENAFOR" - Département Achats (Purchasing Department), 1 Place El-Hakim, El-Biar (Alger) (Algeria), with effect from the date on which this Notice is published. Offers, of which six (6) copies should be prepared, must be sent in a double sealed envelope, by registered post. The outer envelope should not bear any mark which might identify the tenderer or its origin, and should state simply "APPEL D'OFFRES INTERNATIONAL RESTREINT No. IN 83.26 - CONFIDENTIAL - A NE PAS OUVRIRE" (RESTRICTED INTERNATIONAL CALL FOR TENDERS No. IN 83.26 - CONFIDENTIAL - DO NOT OPEN). "A l'attention de MR LE CHEF DU DEPARTEMENT ACHATS" (for the attention of the Head of the Purchasing Department). Tenders must be received by 20.11.83 at the latest. Any tender received after the above date will be rejected. Selection will be made within 120 days from the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTRE DE L'ENERGIE ET DES INDUSTRIES
PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX Puits
(National Oil Exploitation Company)

NOTICE OF INTERNATIONAL CALL FOR TENDERS
NUMBER 0404-OT/MEC

The Entreprise Nationale des Travaux aux Puits (National Oil Exploitation Company) is launching an International Call for Tenders for the supply of:

Item No. 1 - Spare parts for multi-terrain vehicles, model Toyota FJ 60-LV-SW

Item No. 2 - Spare parts for Land-Rover vehicle

This Call for Tenders is intended for manufacturing companies only and excludes amalgamations, representatives of companies and any other intermediaries, in conformity with the provisions of Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade. Tenderers interested in this call for tenders may obtain the specifications from the following address:

Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitaine AZZOUZ, Cote Rouge, Hussein Dey, Alger (Algeria), Département Approvisionnement et Transports (Supplies and Transport Department) - with effect from the date on which this Notice is published. Offers, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the "Secrétaire du DAT" (Secretary of the Supplies and Transport Department) at the above address. The outer envelope being completely anonymous, bearing no company insignia, and stating simply "APPEL D'OFFRES INTERNATIONAL Numéro 0404-OT/MEC - Confidential - A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS No. 0404-OT/MEC - Confidential - Do not open).

Tenders should be sent to arrive by 12.00 hours on Saturday, 26 November 1983, at the very latest. Selection will be made within 100 days from the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTRE DE L'ENERGIE ET DES INDUSTRIES
PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX Puits
(National Oil Exploitation Company)

NOTICE OF NATIONAL AND INTERNATIONAL
CALL FOR TENDERS
NUMBER 9072.04/MF

The National Oil Exploitation Company (Entreprise Nationale des Travaux aux Puits) is launching an International Call for Tenders for the supply of:

HEXAGONALS KELLYS (Tiges Hexagonales)

This Call for Tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other intermediaries etc. in conformity with the provisions of Law No. 78-02 of 11 February 1978 with respect to State Monopoly on Foreign Trade. Tenderers interested in this Call for Tenders may obtain the specifications from: Entreprise Nationale des Travaux aux Puits - 2, Rue du Capitaine AZZOUZ, Cote Rouge - Hussein Dey ALGER (Algeria) (Algeria), Département Approvisionnement et Transports (Supplies and Transport Department) - with effect from the date on which this Notice is published. Offers, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post to the Secrétaire du D.A.T. at the above address. The outer envelope should not bear any mark which might identify the tenderer, stating simply "APPEL D'OFFRES INTERNATIONAL Numéro 9072.04/MF - Confidential - A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 9072.04/MF - DO NOT OPEN, CONFIDENTIAL). Tenders must be received within sixty (60) days from the date on which the present notice is published. Selection will be made within 180 days from the closing date of this Call for Tenders.

Offers, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post to the Secrétaire du D.A.T. at the above address. The outer envelope should not bear any mark which might identify the tenderer, stating simply "APPEL D'OFFRES INTERNATIONAL Numéro 9072.04/MF - Confidential - A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 9072.04/MF - DO NOT OPEN, CONFIDENTIAL). Tenders must be received within sixty (60) days from the date on which the present notice is published. Selection will be made within 180 days from the closing date of this Call for Tenders.

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ACCOUNTANCY

DIRECTOR OF FINANCE c£18,000+Car

A rapidly expanding and very profitable subsidiary of a U.S. computer company offers an excellent career opportunity to an experienced financial manager. This senior appointment has been created to control the operations of two UK companies involved in the marketing and distribution of mini-computers and peripheral products. Working closely with line managers, the UK Director of Finance will assume total responsibility for the entire financial function, managing a small but growing department. Suitably qualified candidates, aged circa 30, should possess "hands on" accounting experience and first-class communication skills. Experience of US reporting is essential. BUCKS. Ref: JG.

FINANCIAL CONTROLLER c£18,000+Car

A senior appointment for an ambitious commercially aware accountant with good industrial experience. This No. 1 financial position is viewed as a developmental role. An early priority is the introduction of a new in-house computer facility. The Financial Controller will enjoy considerable contact with Sales and Marketing Directors and will be responsible for managing some 20 staff. Suitable candidates will be qualified accountants, aged 30-35, with a proven track record, preferably within a US company environment. SURREY. Ref: JG.

DIRECTOR POTENTIAL c£13,000+Car

This small and energetic merchandising/marketing group are seeking an entrepreneurial graduate accountant to control and direct their financial affairs. There will be three main areas of focus: financial control, business systems development and administration. The successful candidate will be qualified ACCA/ACMA aged 25, with thorough technical skills, a clear mind and aggressive outlook. N. LONDON. Ref: SC.

ROBERT HALF

LEF HOUSE, LONDON WALL, EC3N 3LX

Financial Accountant

Salary up to £16,500

Lloyds Broker

Our client has created a corporate plan to expand their business base during the next 5 years. This has created a vacancy for a "youngish" Financial Accountant who will report directly to the Chief Financial Officer.

The successful applicant will be a qualified ACA or ACCA and have at least two years sound commercial experience in a computerised service environment, preferably in the insurance broking market, in addition to the daily responsibility for the financial accounting functions, the Financial Accountant will be actively involved in the production of management information, treasury function, budget preparation and control.

As well as an attractive starting salary, the company has a range of non-contributory fringe benefits and a non-contributory pension scheme. Please write in confidence, giving details of career experience to date to: Stuart Rochester, Neville Russell, Chartered Accountants, 246 Bishopsgate, London EC2M 4PB.

Neville Russell

Chartered Accountants

ACCOUNTANT

(preferably qualified)

required for leading Friendly Society in Royal Tunbridge Wells. All-round accounting and management ability is involved in the post. The Society offers subsidised mortgage scheme, relocation expenses where necessary, non-contributory pension and permanent health scheme.

Salary by negotiation. The Society has over 100,000 members and assets exceeding £30 million. In recent years high growth rates have been achieved which are continuing. We would welcome an able and energetic member of the management team. Applicants should apply in the first instance to the General Manager, Tunbridge Wells Equitable Friendly Society, 19 Mount Ephraim Road, Tunbridge Wells, TN1 1ER.



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GENERAL APPOINTMENTS

WAKO

International (Europe) Limited

EUROBOND DEALER

We have an opening for a Eurobond Dealer in our Eurobond Department.

Salary is negotiable based on qualifications and relevant experience.

Applicants should send a detailed curriculum vitae to:

THE ARTS

Royal College of Art/David Piper

A rich memorial to Prince Albert

The germ of Prince Albert—His Life and Work, the large exhibition at the Royal College of Art (daily until January 23), is said to have been implanted by the present Consort, the Duke of Edinburgh, inspired surely by admiration but also by fellow-feeling. The seed has not only blossomed in the show at the College, but appears to be programmed to fragment, more like a rocket, nationwide.

Auctions, Christmas concerts, Victorian Sundays, ancillary exhibitions across the country, Albert weekends at hotels, conferences, lectures. Guided walks round Albertopolis, that cultural hive in South Kensington; at Greenwich, a positive explosion of Albertian activities—and, attached to the exhibition itself in the College, a splendid shop of Victorian/Albertian goodies that will surely resolve Christmas shopping problems for countless customers.

The exhibition itself is designed with great ingenuity in a space constructed originally not at all with such a tenant in mind. It is cajoled into a progress threaded through and down several levels, down to an inverted climax at the lowest one, where the designer, Nicholas Jenkins, has at last space in which to produce a richly sonorous coup-de-theatre, as the Prince-Hero dies. Thence the visitor climbs up towards the light and the exclamation *Albert Lives!* Here, sentinel about the top of the well of the stairs, Henry Moore's *Reclining Figure* (1961) and the *Reclining Figure* (1961) by Henry Moore, designed by present day students of the College from Owen Jones designs. The fruitful continuity of the School's tradition is demonstrated. It would be interesting to know how Albert would have considered the development.

Given the constraints of the space available, the organiser (Hermione Hobhouse, and her designer could scarcely have done better with this theme. The result, however, raises the recurrent and intractable problem. Is the exhibition essentially complementary to or illustrative of the admirable (and admirably illustrated) study in book form that Hermione Hobhouse has published to go with it (*Hamish Hamilton*), in paperback, at the exhibition only, £3.95; the hardback version also available from bookshops, £10.95? He have in fact this "exhibition of the book," or is, as claimed, the book "the book of the exhibition." What does the experience of the exhibition add to the experience of reading the book?



Prince Albert's study

Trevor Humphries

There is no doubt that it is an exhibition that has to be "read" (a process made more challenging by a sometimes ill-coordinated relationship of labels to exhibits). It consists for the most part of fairly small items, a lot of them documentary, but almost all demanding close scrutiny. A first run through, primarily as it were to get the hang of it, took me two hours, and after the second journey through, though I reckoned I had grasped fully the content of some sections, others I had still skated through purely superficially.

So—I can go again; but on the other hand, having spent an evening with Hermione Hobhouse's book, both learned and readable, I feel a return visit would not offer much more. I suspect the balance between the visual element and the exposition of the theme as a whole is not fully successful, but also that such a balance may be impossible.

Let not any such quibble seem to suggest that the theme is not for celebration. Albert has always been one of my major heroes, not least in that in intent and achievement he was so enlightened, so admirable—and so successful—because together with what must have been a formidable certainty of purpose, he maintained such a sweet reasonableness, such a grasp of the possible, among his virtues.

He had, of course, his faults,

without which he would have been inhuman. For example, his relationship with his eldest son, the future Edward VII, was distressingly unsuccessful. He drove his virtues to excess, so that they became faults; notably by over-work; by 1861 he was physically so lowered that he failed to repel the fever that assailed him. He was a mere 42 years old. Given, as one (and certainly the Queen) could reasonably anticipate, another 30 years, what might have been so different? Possibly the whole history of Europe, for Albert was in more sensitive touch with the realities of the Continent than any English-born statesman.

As it is, he modulated the constitutional position of the Crown into a course in which it still survives, if increasingly isolated among European states, as a viable solution for the survival of monarchy and of democracy. The sheer concentration of the early morning slog, the paper work, the conversations, the hints dropped here and there, by which this course was established, are not of course demonstrable in the exhibition. But read Hermione Hobhouse before you go, and the visual expression of it will be most evocatively realised in one of the few literal three-dimensional recreations in the exhibition.

This is a facsimile of a, at first sight, modest—anyway not

extravagant—study at Windsor. Desk, green-shaded lamp, accessories—even waste-paper basket—the family portraits, outgoing envelopes addressed to the Bishop of Oxford, to Bunsen (of the burner), to Wellington, Lord Liverpool, Palmerston—it indicates a range of involvement that is formidable. Such was the power-house—a remarkably modern one, a swift movement of the paper-work, but without modern intermediaries such as typewriters, computers, the telephone, the aeroplane. But you need to read Hermione Hobhouse before the impact of this carpet-hushed shrine will register.

The exhibition makes a gallant attempt to bridge academic and "popular" needs. The academic ones, as I have suggested, cannot be adequately demonstrated in visual exhibition. The difficulty with "popular" appeal is that it slights on Victoriana. We are, curiously, still too close to the Prince Consort's time not to be unduly seduced by its "quaint," its "period," charm. It is still the curiosity of the Great Exhibition of 1851, the Crystal Palace, that diverts attention, rather than the astonishing technological innovation. Much of the exhibition is of trivia, ephemera.

Much that seems such detracts from the importance of the subject that it illustrates—here the absurd hat that Albert designed for military

use, tends to blur rather than illuminate his profoundly serious concern for both efficiency and well being of the British army. His concern was always serious, enquiring, and considered, and for an astonishing range of interests. He could talk as scientist to scientists, or engineer to engineers, as artist to artists, as musician to musicians, as farmer to farmers. He drew out the blueprint for the foundation of both complex (Albertopolis) which has developed into such a fantastic concentration of great international museums. The great 1851 Exhibition at the Crystal Palace (that still hovers in the imagination like a gleaming soap bubble) was only one of his ventures into major exhibitions, and for royal domesticity he was responsible for much of Osborn and much of Balmoral.

He is probably overlaid by the posthumous cult so devoutly nurtured by his widow. It is an astonishing blow-up of a photograph of the Albert Memorial in the exhibition, in which the figure of Albert himself is hid from sight in a sunburst, and echoes of Stonehenge at sunrise may confuse the mind. I doubt if he would have approved of the proliferation of statues that followed on his death.

There is in the exhibition a charming letter asking that his person be not included in a memorial proposed for the 1851 Exhibition: "I can say with perfect absence of humbug that I would much rather not be made the prominent feature of such a monument, as it would both disturb my quiet rides in Rotten Row to see my own face staring at me; and if, as is very likely, it became an Artistic Monstrosity like most of our Monuments, it would upset my Equanimity to be permanently ridiculed and laughed at in Effigies."

His essential humanity is elusive to demonstration. It emerges most movingly in a screen of photographs of him in 1860, all from one session, enlarged from some album pages at Windsor. He appears in various formal studio poses, in his frock coat, an ageing gentleman perhaps not in the best of health. There is a pillar, a drapery, a Venus de Milo statuette on a table. All in black and white, of course, and in some prints the black encoaches sinisterly on the white. The whole screen conveys an effect of movement, and also of a most mortal vulnerability. Beyond, the funeral rites open up, and the Dead March in Saul is heard.

The Cherry Orchard/Haymarket

Michael Coveney



Joan Plowright and Frank Finlay

superb, wispy-haired old landowner spots the suitcases in the last scene does the devastation of the departure from the house and cherry orchard really occur to anyone.

All these characters have, to some extent, submerged their vitality. Margaret Robertson's husky-voiced governess in her role as party trickster, Joanna David's governess in a severe impersonation of household efficiency, Frank Grimes' Trofimov in the stuttering rhetoric of the eternal student. Finally confronted by Lopakhin with a direct question, Mr Grimes blurts out that he shall certainly be there when the new day dawns, before melting in confusion... "or, I shall show others the way."

In recent years we have seen Trofimov the impassioned zealot, Trofimov the uncomfortably displaced wandering Jew, Here,

the "All Russia is our orchard" speech at the end of Act Two sounds like wishful thinking, playfully feigned by Cori Kincaid's somewhat brittle Anya.

Frank Finlay, with his barking laugh and controlled rubato of delivery, buys the orchard as an act of class revenge, exploding with manic ferocity at the jeering babble which greets his announcement. Buried, too, in the performance is an unarticulated affection for Ranevskaya. His hands truly do not belong to him, carving through the air in a series of unpremeditated Papal gestures.

The snapping string does indeed seem to come from a distant mine, accompanied by an ominous rumble. Bernard Miles is a delightfully decrepit old-Fips, ordering his legs up onto the sofa at the end like a couple of pet dogs.

Lindsay Kemp/Sadler's Wells

Clement Crisp

The Lindsay Kemp company opened a two-week season at the Wells on Tuesday with a version of *A Midsummer Night's Dream* which employs those elements of unsold-out-outrageousness that devotees of Mr Kemp admire, and which others may find all too tiresome. For an hour and a half—no interval—we see various caprices and camp jokes stuck on to a skeleton of the action, but varying success. Mr Kemp's theatre is an omniscient gathering of mime, dance, drag, exuberance of costume and far too much tinsel, in which one does not ask too much of movement or design, but accepts bravado and a child-like faith in extravagance as a justification for what happens.

At its best—in the scenes with the mechanicals, and in a welcome earthiness in presenting the fairies—there is an energetic vulgarity which is

convincing. The rustics, played as Italian clowns, are jokey, and the final anti-masque in which Pyramus and Thisbe become Romeo and Juliet, with Juliet on stilts much given to stretching interminably in arabesque while weaving in a tormented falsetto, is the best of obvious fun.

There is also, for adherents of the Victorian-fairies-to-Mendelssohn style propounded by the Royal Ballet, a splendid piece of de-mythification, with Titania's band turned into brutish Cimbrian earth-spirits whose carollings with Titania (The Incredible Orlando in tremendous cry) and the Changing (François Testory, owner of a steel-cutting counter-tenor) are the best antidote to winsomeness at Covent Garden.

But there are also longer stretches when the action looks

embarrassed in its determination to shock—the lovers, bewitched by the magic flower, pair off homosexually—or when the chininess of invention makes it seem as if we are watching the Hell Amateur Dramatic Society desperately trying to cover up the failings of their script. Mr Kemp appears as Puck, grinning much of the time and indulging in some mature hops and skips.

The Incredible Orlando and Michael Matou double Titania/Hippolyta and Oberon/Theseus with considerable aplomb—Orlando making one entrance like Dame Joan Sutherland as Queen of the Night—and François Testory is fine both as the Changing and as a Mechanical armed with tree branches and a pout. Not an evening, I suspect, for believers in the sanctity of the Bard; but for seekers after sauciness,...



Francois Testory and Lindsay Kemp

Bruckner/Festival Hall

Max Loppert

The current preponderance of the mature Bruckner symphonies in the London concert schedule is something of which few people will feel moved to complain; but it does mean that a work like Bruckner's Ninth, which ought to be a rare and profound experience for both orchestra and audience, is bound sometimes to seem less than that. It was hard to know why Tuesday's Philharmonia Ninth under Lorvo von Maticz stayed earth-bound; perhaps this was a single listener's response only?

The Philharmonia playing was authentically broad, full, and deep of tone—Maticz, though his baton-less beat may lead to passing imperfections of ensemble, is a Bruckner conductor of the old kind, who knows how to draw out, rather

than drive, the orchestral sound. He also knows how to sustain whole paragraphs while at the same time pausing to acknowledge detail within them; the infection of melodies in both outer movements was achieved with mastery ease and rightness.

But both these outer movements, it seemed to me, refused to grow out of such properly Brucknerian raw materials, to take on light, air, and majesty—something dogged and heavy in the unfolding constrained them. The heaviness of tread through the scherzo, on the other hand, was apt and exciting, especially when answered by a middle trio section of Mendelssohnian fleetness (notwithstanding, again, the odd first-violin stray wisp). It was, altogether, a performance of

noble stamp which failed to amount to more than that. As a result one minded the placing of the Bruckner *Te Deum* after rather than before the symphony less than might have been the case; indeed, the barbaric splendour of its outline supplied the concert with a culmination which it might otherwise have lacked. The Philharmonia Chorus was in fine form, strong in full voice, delicate in pianissimo; but uncertain contact with the conductor's beat may have accounted for an unusual number of halting entries. A notably ill-balanced solo quartet was led by Martyn Hill, whose tenor sounds as though it has put on weight; on this occasion, a touch more of his old sweetness would not have come amiss.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

October 14-20

Exhibitions

LONDON

The National Gallery, Manet at Work: this year falls the centenary of Manet's death, which now, in the knowledge of the great old age achieved by his Impressionist contemporaries, whom he influenced so positively, seems so sadly premature. The great retrospective in Paris this summer clarified the nature and significance of his achievement. Here the National Gallery does not give us anything so comprehensive, but takes eight major works across the range of his career, and by simple scholarly exposition, shows us how he set about his business.

The Tate Gallery: New Art - an extensive and extraordinary survey, quite positively open-ended and non-definitive, across current international activity in painting and sculpture. It is in the main a loan exhibition with significant augmentation from the Tate's own collections, which, if it seeks to do anything, places what has come to be thought of as the New Spirit in painting, that is to say the expansive and often violent figurative expressive expression of such artists as Clemente, Chia, Salle, Kiefer, Immedorf, Penke, Fetting, Schnabel, into the broader context of the Art of two decades past. Ends Oct 23.

The Barbican: Matthew Smith - an illuminating retrospective, long overdue, of the life's work of one of the most truly French of British painters of this century. And yet he remained a most English expressionist, the sharp, bright Fauve colour of

his early years modifying in range and tone, darker, quieter effect. Ends late Oct.

PARIS

Martille in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings - among them the Young Beggar - from French public collections. Plans, photographs and engravings help us to situate the Sevillian artist in the context of his times. Closed Tue, ends October 24.

Musée Marmottan, 2 rue Louis-Bouilly: an important collection of paintings and drawings by Claude Monet and his friends, including the famous oil "Impression - Sunrise," which gave the name to the whole movement. Closed Mon.

Cycladic Art from the N. and D. Gonville Collection - more than 300 remarkable items dating from the third century B.C. are being shown at the Grand Palais before returning - definitely - to Athens. Grand Palais (Oct 8 to Jan 9 1984). Closed Tue, Wed late closing night 10 pm (2015410).

Turner (1775-1851) - the exhibition traces the creative development of the artist who, although steeped in the great landscape-painters' tradition of the 18th century, becomes - through his fascination with the effects of light - one of the forerunners of abstract art. Grand Palais (Oct 15-Jan 9). Closed Tue (2015410).

Ligue Modern Art Museum has lent its collection of choice items - one of

Manet's first paintings and one of Gauguin's last. Also a surprising Blue-period Picasso - to the Centre de la Communauté Française de Belgique. (Tel: 2712618). 11am-6pm, closed Mon, Ends Jan 8.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dalí, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balaban, Mondrian, Picasso and Natalia Goncharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Cennino, Fra Angelico, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

Museo (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the most comprehensive Manet exhibition in nearly a century. Ends Nov 27.

WASHINGTON

National Gallery of Art: Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlan, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec

art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984.

Birkbeck Museum/Direct Carving in Modern Sculpture is a cleverly assembled show from the museum's own collection of works by Brancusi, Gauguin, Hepworth, Moore, and Noguchi, among others, showing the tactile direct technique as revived in the late nineteenth century and used even today. Ends Oct 27.

CHICAGO

Museum of Contemporary Art: More than 100 works of the provocative, if not outrageous, sculptress Louise Bourgeois comprise the first major retrospective of her work, going back to the 1940s. The second and Women's Lib themes of recent times gained the artist a notoriety, here put in perspective. Ends Oct 30.

BRUSSELS

James Ensor-Koninklijk Museum, Antwerp. Ends Oct 30.

British Pottery, David Leach, David Lloyd-Jones and John Maltby. Galerie le Main. Ends Oct 22.

Ann Boyden-paintings and drawings. British Council. Ends Oct 28.

WEST GERMANY

Hilfsheim, Röhmer und Peitzmann Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest Afri-

can cultures from 500 BC to 1900 AD. Ends Oct 22.

Berlin: Akademie der Künste, 10 Hansatenweg: Suprematism, Russian style, is documented here with roughly 500 original designs. Mani-fest, photos and paintings from between 1900 and 1917 by the painter Kasimir Malevich. The poet Alexander Krutshenych and the composer Mikhail Mityushin. Ends October 9. Also at the Akademie der Künste: a show of the work of Julio Gonzalez (1876-1926), the Spanish sculptor, with 250 exhibits, among them pictures never shown before. Ends October 22.

Düsseldorf: Tonhalle, 1 Ehrenhof: "New Glass in German" has 280 colourful decorated glasses, vases, bowls and pictures by 58 contemporary artists. Ends November 8.

Cologne: Kunsthalle, 1 Josef Heubrich Hof: the exhibition focuses on the 27 sculptures by Willem de Kooning, the American painter and sculptor, since 1969. Ends October 30.

Frankfurt: Südliche Galerie im Städt. Museum: The exhibition has the sculptures "The King of the Mountain" as well as 57 drawings by Josef Beuys, the German object artist. Ends October 30.

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibited. Ends Dec 31.

Museo Correr: Titian's engravings on show. Palazzo delle Frigioni: exhibition of works by Massimo Campigli.

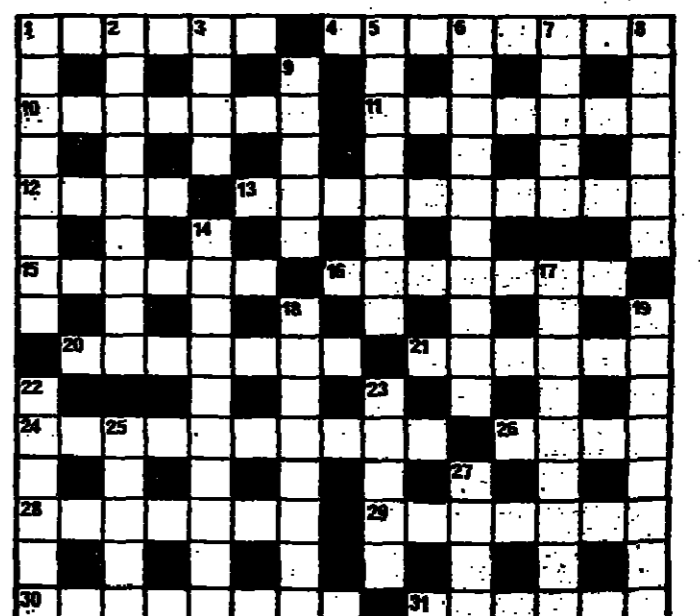
F.T. CROSSWORD PUZZLE No. 5,247

ACROSS

- 1 A first-rate batsman keeps calm (6)
- 4 EP and single, spinning - fast? (8)
- 10 Pulling a pint often (7)
- 11 Got idea developed for an annum (7)
- 12 Go aimlessly with powered bike, endlessly (4)
- 13 Foot-long skeleton of Sumatra set in order (10)
- 15 Top sailor in hold (6)
- 16 Small type - one in a red suit (7)
- 20 Hoping not to finish with drag (7)
- 21 A prelude, of course (6)
- 24 Those I drop around the ministry (10)
- 26 Initially in English milieu, men admired this novel girl (4)
- 28 Lord of the Flies? (7)
- 29 Pick-up service in part (7)
- 30 Urge what captains might call intellectuals (8)
- 31 Cheerful placed wrong way on top of table - how sad! (6)

DOWN

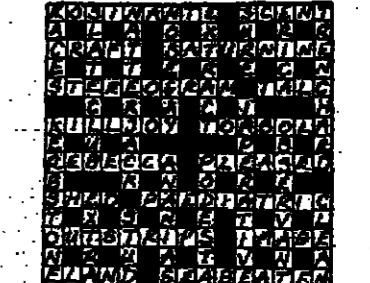
- 1 Grounds for settlement (8)
- 2 Tall, thin people who train runners (9)
- 3 Synopocated tunes can be fun for students (4)
- 5 Country home of Wodehouse, we hear (3-5)
- 6 Tender name, perhaps (10)
- 7 Metrical stress of classic Tuscan... (5)
- 8... having no expression for girl in outskirts of Galway (6)



- 9 Beef guide (5)
- 14 Old coin to grab - a French sovereign? (5-5)
- 17 Wherein Walther came first in European Song Contest (9)
- 18 Like lakeside sedge (the wider variety) (8)
- 19 In relation to word meanings, times can change (8)
- 22 Work-attitude to contend with (6)
- 23 Low Church skulk? (5)
- 25 Frosting, sign of severe cold (5)

- 27 Aspiration - employed by musician (4)

Solution to Puzzle No. 5,246



TECHNOLOGY

U.S. EXPERIENCE OF CELLULAR RADIO FLAGS PROBLEMS

Land lines are the weak link

BY GEOFFREY CHARLISH

THE HIGH-SPEED approach taken by the Government over cellular radio—and the corresponding rate at which the communications industry is having to adapt—is producing close interest in the U.S. experience and is flagging a few problems which, with forethought Europe might be able to avoid.

After all, in the space of a year, Britain for example, has seen a Government go-ahead for two competitive systems, avoid public discussion, intense lobbying by manufacturers and finally the choice of two consortia, BT/Securicor and Racal/Mulcom, to run the systems. The proposed starting date is "early 1985".

What is unclear is the rate at which the services will acquire customers: at the moment neither the price of the mobile equipment nor the cost of the service have been revealed—at this stage they are probably not clearly known by the two consortia.

However, there are two AMPS-based services in the U.S. that are about to go commercial after three year trial periods—Chicago and Washington/Baltimore—and they are naturally being watched with great interest.

That is why a recent symposium organised by Oyez Scientific and Technical Services and sponsored by the Mobile Radio Users' Association attracted 175 people from AMPS Inc., ARTS, Ericsson, and the BT/Securicor venture.

Mobile radio has been in the doldrums for many years due to lack of radio channels, producing a world-wide demand that exceeds supply—and correspondingly high-priced services. Re-allocation of spectrum from other services and the reduction (by technology) of the spectrum space needed by each channel have really only been palliatives.

Bell Labs had realised this would happen in the mid-1950s, when it revealed the idea of "cellular" working. But only in recent years have two developments allowed the idea

to be viable—the availability of fast electronic switching and radio sets that can instantaneously re-tune themselves under computer control.

To cover a large city satisfactorily, the transmitter used in conventional systems must be high-powered to reach the edges of, say, a 25-mile diameter area. Then, however, it is likely to interfere with other cities trying to use the same frequencies up to 100 miles away. So wide geographical re-use of channels is not possible and there is always a shortage.

In the cellular approach, the service area is divided into cells a mile or two across, each with a low power transmitter. Then, a set of channels allocated to one cell can be reused in another perhaps only a few miles away with no danger of interference. The number of subscribers that can be accommodated can often be increased by 20 or 30 times.

Each cell is land line-connected to a high speed electronic switching centre which connects the calls to and from the public telephone network and also imperceptibly hands vehicles over from one cell to the next as they move about.

One of the worries of Andrew Lamothe, technical director of Advanced Radio Telephone Service in Washington/Baltimore, is that presently available switching systems may not be able to cope with the 60,000 or so subscribers expected by 1987. At peak times of the day the system might have to carry out one switching operation every microsecond (millionth of a second). So it will probably be necessary to use distributed switching centres able to communicate with each other in order to avoid congestion.

Clearly, this could result in a major upheaval of any system design not prepared for it, including London.

The present average bill of an ARTS subscriber is about \$210 a month, including \$120 for the radio. However, Lamothe says that subscribers are becoming more demanding over billing—business users

want itemised call accounting, for example.

C. P. Witze, vice-president of AMPS Inc., explained that upon divestiture of the Bell units, the newly independent company will consist of seven regional operating companies offering services, while the equipment will continue to be made by AT&T.

Within a week or two the Chicago trial will become truly commercial. It is expected to have 100 to 300 cells within three or four years.

Witze said that a number of important lessons had been learned in Chicago. The first is that cellular is a complicated and expensive technology: a 20 cell system can cost \$10m to \$15m when land, building costs, towers, and equipment are all accounted for.

Then, after a cellular system is installed, months can be needed for "fine tuning" before it is really ready for service.

Managers soon found the weak link—not in the cellular system itself, but the interconnecting land lines from cell sites to the central switch. "We recommend," said Witze, "that cellular entrants strongly consider using microwave links."

In the UK, Walter Stevenson,

chairman of the Mobile Radio Users' Association, said he thought there was a serious lack of data about the forthcoming services. He feels that companies planning to spend quite large sums equipping their executives need hard data about radio prices, maintenance charges, call fees and such things as service areas and signal strengths.

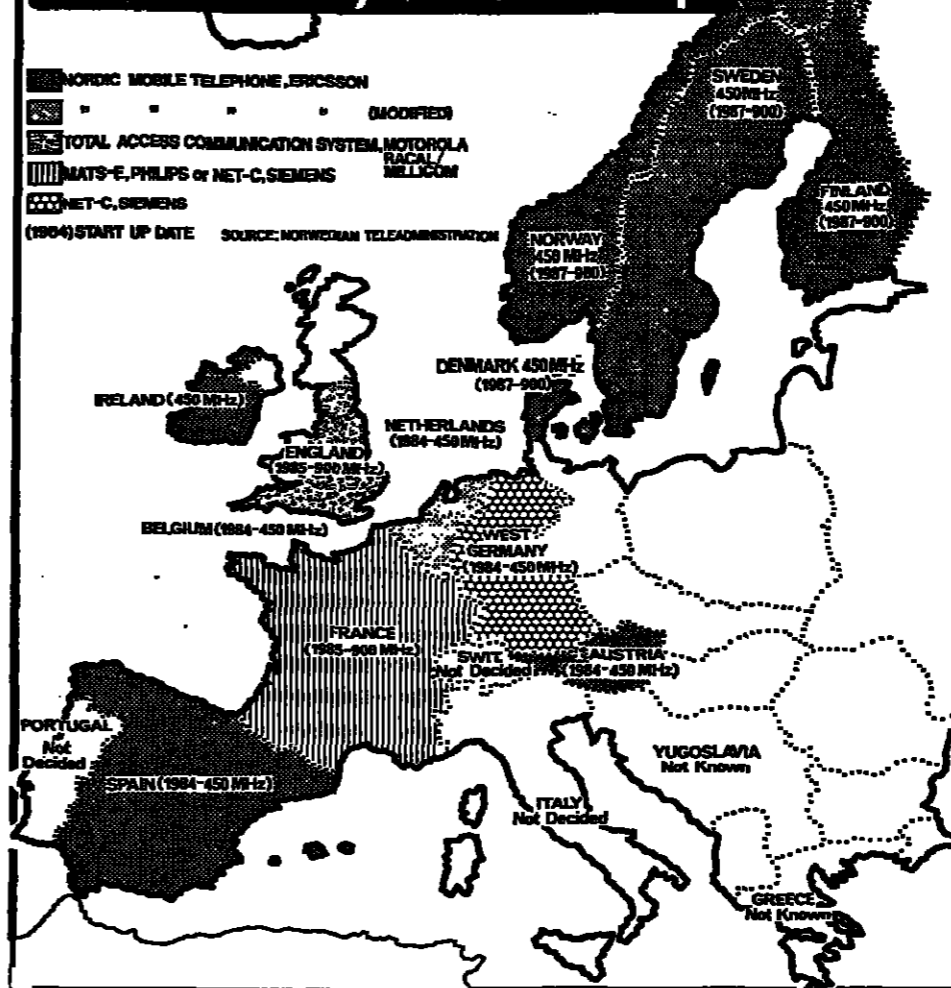
John Garrett, technical director of the BT/Securicor venture could not oblige, but he was able to give some idea of the way standards were being developed at the Department of Industry. For example, "roaming" more important here than in the U.S. would need attention so that users will be able to move between the two competing systems, and ultimately use their systems throughout Europe.

However, Garrett warned that the public might be getting the wrong idea about the availability of the new cellular service in 1985. It will not immediately cover the whole country. "The enthusiasm to achieve this," he said, "is necessarily tempered by the availability of manpower and money."

But in 1985, London, Birmingham and Manchester, and the motorways connecting them, will almost certainly have the service.

EDITED BY ALAN CANE

Land Mobile Systems in Europe



Sensors

City adds CO device to line

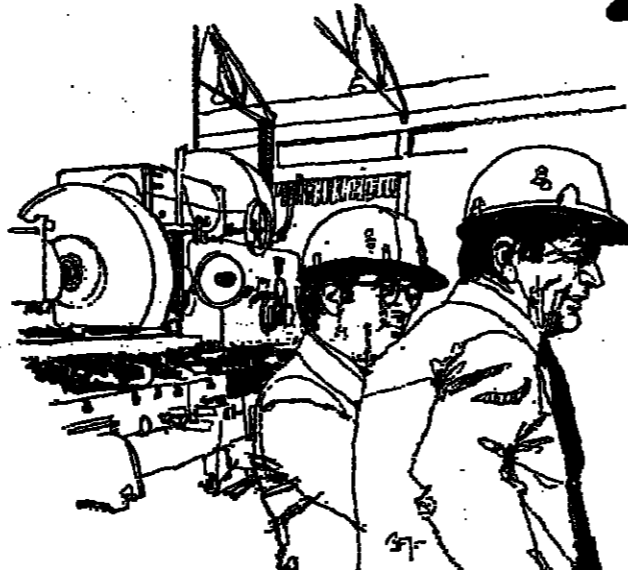
CITY TECHNOLOGY has now added a carbon monoxide model to the oxygen sensor product line which won it the Queen's Award last year.

The latest sensor—which can be used to prevent fires in mines or to monitor potentially lethal build-up of carbon monoxide gas in mines or in car parks—was developed by City Technology in conjunction with the National Coal Board and the U.S. Bureau of Mines.

The most important application for the new carbon monoxide sensor is in measuring the extent to which a coal-face is self-heating, with the danger that it might either explode, catch fire or give off toxic fumes.

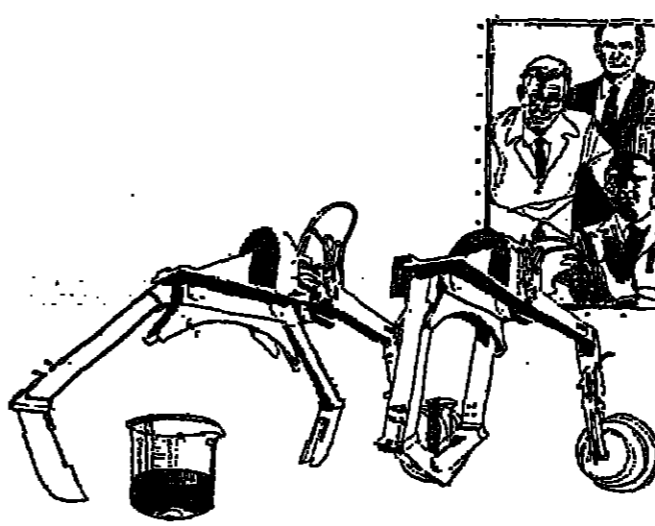
It can also be used to measure levels of the toxic gas which are given off in car exhaust fumes. More from City Technology on 01-253 3780.

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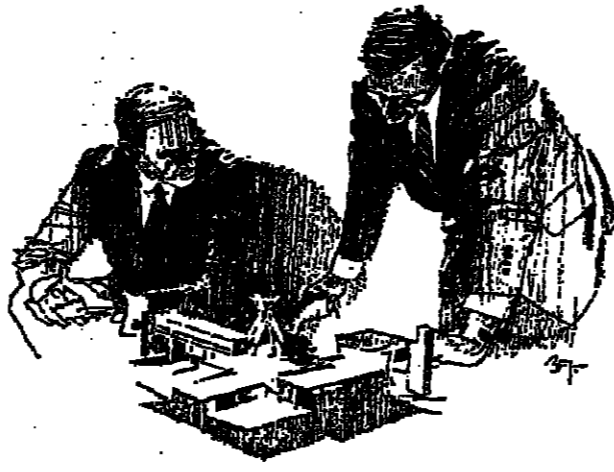
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BIOTECHNOLOGY

Shirley plans to 'grow' a fabric

BY ANTHONY MORETON

THE POSSIBILITY of "growing" fabrics in the laboratory is being investigated by the Shirley Institute in Manchester, where a two-year research project under Dr Brian Sagar is looking into textile applications of biotechnology.

At the half-way stage of the project, Dr Sagar finds "exciting promise" in his work. His team has already succeeded in producing wet-laid nonwoven fabric samples from micro-fungal hyphae. Nonwovens are conventionally produced from dry-laid random webs of fibres which are made cohesive by some form of fibre entanglement such as needle-punching or by application of an adhesive binder.

The Institute, the leading British research organisation on the artificial fibres and cotton side of the textile industry, hopes that nonwovens with novel and improved performance might be produced by this new route.

The researchers are using the typically branched growth of the filamentous microfungi which usually have a diameter less than a fifth of those textile fibres such as viscose rayon that are commonly used for nonwovens.

Dr Sagar believes further work is needed but that prototypes will be ready for commercial development within a year.

These are expected to have a variety of textile applications including the production of simulated leather, filter fabrics, medical and sanitary textiles and "wet-wipes".

The industry has always been interested in biotechnological processes but the recent resurgence is due to the potential they offer for new industrial methods that require less energy input and are based on renewable raw materials.

As well as the work on micro-fungal hyphae, the institute is also attempting to elaborate useful biopolymers from micro-organisms. Other work is concerned with improving the wet-strength of viscose fabrics using dextranase.

The aim is to find suitable enzymes to catalyse the side-glucosylation and chain-extension of the cellulose in the presence of sucrose. If successful, these treatments could improve the flexural rigidity, abrasion resistance and tensile and tear strengths of viscose rayon fabrics.

The biotechnology work forms part of a £100,000 project sponsored equally by the Government and a consortium of UK textile and chemical concerns. Though the project is well under way the Shirley Institute would not be averse to further sponsors.

Computing

Unix on Tycom

TYCOM NOW offers a micro-computer version of the Unix operating regime as part of its Microframe system.

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Thursday October 20 1983

Funds for the parties

THE GOVERNMENT'S plans to reform the way in which unions fund the Labour Party — on which Mr Tom King, the new Employment Secretary, began talks with the TUC yesterday — form the most controversial part of its proposals for trade union reform.

Some 63 unions with a membership of over 8m presently maintain a political fund: around 7m of these members contribute to the funds. The aggregate income of these funds is around £5m: all of that is, in practice, available to the Labour Party at national, regional or local levels.

The funds are regulated by the Government-appointed certification officer, working under the terms of the 1913 Trade Union Act. Its main provisions are that a union's political fund may be established only after a ballot of union members has sanctioned it; and that all members may exempt themselves from payment of the fee levied on them for the political fund by signing a "contracting out" form.

Mr Norman Tebbit, when at Employment, proposed two changes. First, legislation on union democracy should require unions to ballot on the existence of funds every 10 years. Second, there should be a "fair and free" arrangement for payment of the political levy. Mr Tebbit has held the restoration of "contracting in" as a sword over the unions' heads if they do not agree such an arrangement with him.

On the assumption that Mr King will do at least the minimum of what Mr Tebbit committed himself to, the Labour Party is certain to suffer. Ten-yearly ballots on the existence of funds will mean the end of some of these funds, especially in the white-collar areas.

League table

In one sense, that will be a good thing. The head-riding party, the Conservative, is so close to works hard on raising money from its mass membership. Every Tory MP takes a strong interest in his constituency's fund — raising efforts, the more so since there is a keenly-fought league table for annual contributions. Few Labour MPs would have a clue as to what their local Party had done for the national one: the unions' donations have sapped the will to beg.

Pressures on trade policy

IS TRADE liberalisation a lost cause? The question is not one to ask in polite multinational company, but nor is it hypothetical. While heads of government have been protesting their continuing commitment in the 1980s to an open multilateral system of trade, the proportion of world trade subject to non-tariff restrictions has been creeping inexorably upward. Everywhere the consciousness of political constraint dominates the discussion of trade-related issues.

Such pessimism is scarcely appropriate when the world economy is pulling itself out of the trough. The more so when the most striking feature of the present trade climate is that we have emerged from the worst recession since the 1930s without the equivalent of a Smoot-Hawley tariff and all the retaliatory consequences. In trade policy a preoccupation with what is politically feasible often disguises a failure of political will. Even in the least favourable economic circumstances there is always some area where scope exists for dismantling trade distortions.

Negative side

The negative side of the present trade picture is that exchange rate imbalances continue to play havoc with the whole system. The undervaluation of the yen, for example, has contributed to a spiralling Japanese trade surplus that could, on some estimates, reach \$40bn next year. Small wonder that Japan finds itself having to accept the imposition by the U.S. of special steel quotas this week and faces U.S. demands for a continuation of voluntary restrictions on car exports.

The problem is exacerbated by the approach of next year's U.S. presidential election. President Reagan's July announcement on special steel import quotas almost certainly signalled the open season for political horse trading.

There are, however, forces pushing in the other direction. With the notable exception of the U.S. most developed countries now place emphasis on the need for fiscal restraint in the medium term. In part that reflects a belief that governments cannot expand demand without inflationary con-

In the short term, however, a constraint placed on union funding would cripple the Labour Party and render it unable to fight elections effectively. That outcome should not be any part of Mr King's reforms.

Further, Labour's fund-raising base will probably be poorer than the Conservatives'; the contributions which companies give to the Conservative (and other) parties are little examined; and UK parties—with the possible exception of the Tories—are drastically underfunded for the jobs they should be doing.

This argues for a more serious examination of the funding of parties than the Government has so far shown itself willing to give. Democracies should not tolerate wide differences in the income, and therefore to some extent the effectiveness, of their major political parties.

Select committee

The Government should consider establishing a select committee to examine the whole gamut of issues raised by party funding: such a committee could draw on the work done by the Hansard Society two years ago, when a committee chaired by Mr Edmund Dell thoroughly aired the subject. Within its terms of reference must be the question of how companies obtain consent for their contributions (most of which are destined for the Conservative Party): it cannot be sufficient, if reform is in the air, to say that they may be challenged as part of shareholders' response to a lengthy set of company accounts, in which they are usually a tiny item.

The possibility of state funding should hold no terrors for democratic parties. The issue is complex, but the system works in a number of countries where the party system is at least as vital as in the UK. Tax breaks for contributions to parties is one possibility; any system should combine some form of proportionality—that is, a subsidy based on electoral strength—with wide scope for voluntary contributions.

All of these issues form the basis of the TUC's case for the TUC—or should do. For if he is seen merely to confirm the Tories' inbuilt financial advantage, he will serve all parties ill, including his own.

MR TIMOTHY REVAN, chairman of Barclays, the UK's largest bank, puts it most graphically. Britain's retail deposit market, he said recently, is "a vast battlefield" where the smoke of competition is so thick that not seem to be going the banks as banks, building societies and other institutions slog it out for the saver's pound.

But the tide of battle does not seem to be going the bank's way. Hardly a week now passes without some fresh assault on their stronghold by an institution eager for funds, usually armed with some product of the technological revolution.

Only yesterday, Mr Mark Weinberg of Hambro Life unveiled what he claims to be the UK's "first integrated financial management service," which rolls banking, charge card, investment and insurance services into one. The Halifax, the UK's largest building society has just launched cash machines, and Save and Prosper, the unit trust group, has a cheque-bearing money market account which will soon include overdraft facilities.

Meanwhile, the recent break-up of the building societies' cartel has triggered a bidding war which is pushing up society investment rates and pulling in funds at a near-record pace.

So successful have the building societies become at the banks' own game that they now take in nearly one pound out of every £1 deposited by private individuals and are steadily expanding their branch networks. The banks, on the other hand, who used to take in two pounds out of every three, now have to make do with barely one, and are closing down branches by the dozen each year.

"We can see millions of pounds a week trickling through

Bank of England keeping an eye on developments

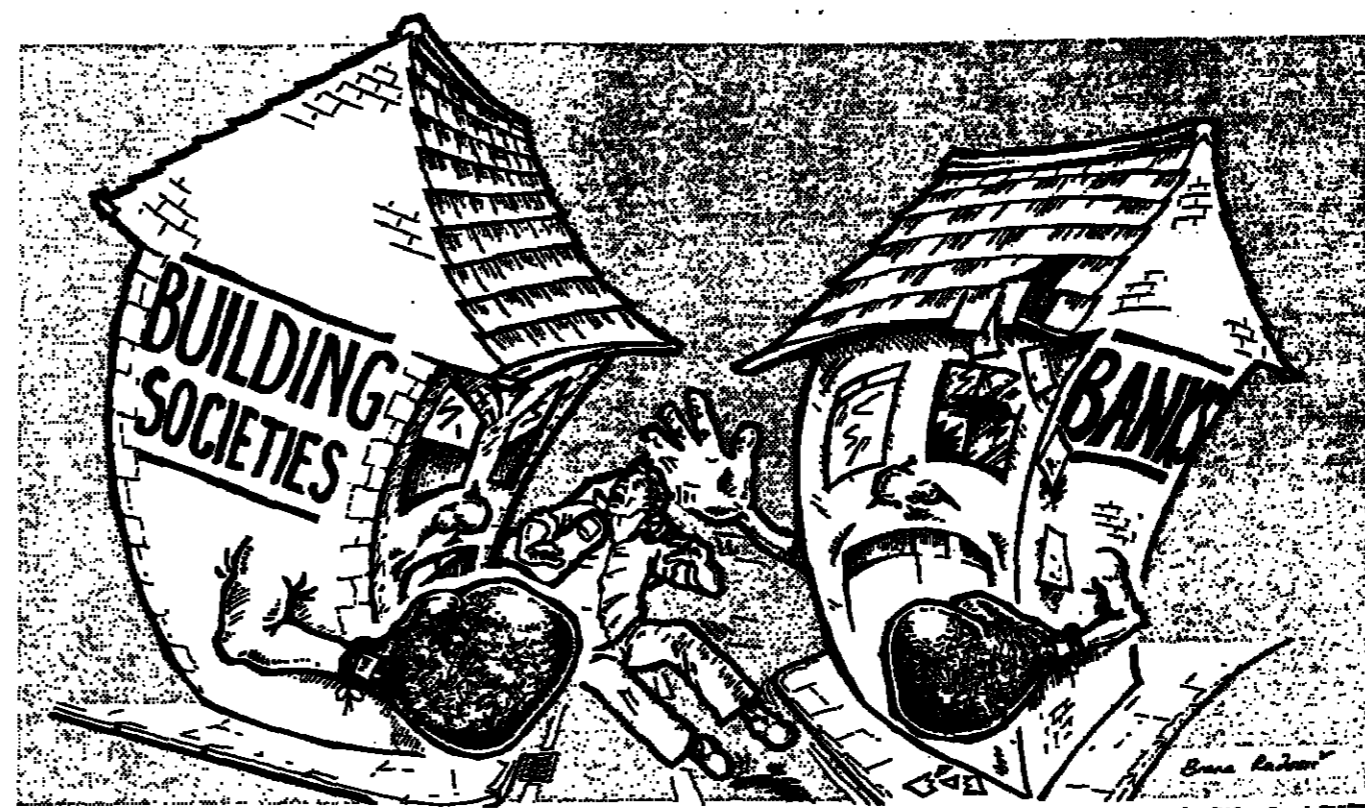
our fingers," complains a senior clearing banker.

Why do the big British clearing banks find themselves in this worsening predicament? It is because, as one critic says, they "have lost the minds and souls of the British public" by complacently believing that people are happy to leave their money in non-interest-bearing current accounts.

Or do they face, as they themselves claim, unfair competition from institutions that are to all intents and purposes banks but are not burdened by banking regulations, and enjoy tax advantages as well?

Does it even matter that banks are having to turn increasingly to new sources of money, like the wholesale markets? The banks already pay an estimated 8p in the pound to finance what some critics regard as the extravagant branch networks which bring in their "free" deposits.

The Bank of England, which is responsible for the health



of the banking system, is keeping a wary eye on developments, though in general it favours competition and innovation.

Mr J. S. Florde, the Governor's adviser, listed some of the less welcome effects of the banking revolution in an article in the latest Quarterly Bulletin which examines the whole future of UK banking as it undergoes the technological revolution.

Banks, he warns, could face a profits squeeze because they are not only having to pay more for their money, but will have trouble passing on all the extra costs due to intense competition in the loan market.

Mr Florde also warns that banks may be tempted to take unnecessary risks to keep up with their nimble rivals. "In such circumstances," he writes, "we would need to be prepared for persistently easy availability of credit and to guard against a persistent tendency towards a lowering of prudential standards."

The banks have some justification for claiming that the playing field on which they are expected to compete is not as level as it might be. Unlike their competitors, they are burdened by prudential controls and have to give the Bank of England 10 per cent of their deposits to help it pay its way. But this is the price of being a bank.

More to the point is whether the banks' competitors should be put on a par with the banks themselves. If they behave like banks, shouldn't they be treated like banks?

Mr Florde suggested that the 1979 Banking Act may have to be amended to accomplish this. Certainly it would fit the growing preference among bank supervisors (not just in the UK but in many other industrialised countries where similar changes are afoot) to regulate

institutions by what they do rather than what they call themselves.

Another touchy matter is tax, where the building societies enjoy measurable advantages because of their social role as the major source for long-term housing finance. The tax mechanism allows them to pay rates of interest which even after tax compare favourably with what the banks offer pre-tax. They can exempt gift trading profits from tax. And unlike the banks, they do not pay the 52 per cent corporation tax.

But would any government, Tory, Labour or Alliance, want to give these advantages? Unlikely. If the banks' competitive handicap became desperate, the more obvious solution would be to give them a tax break. Indeed, the banks would dearly like to be included in the "composite tax" arrangement that makes building society interest so attractive to taxpayers.

With the Thatcher government strongly rumoured to be planning to increase rather than cut tax on bank profits (which run at over £1.5bn a year) bankers would be happy just to let their tax treatment left alone.

In fact the levy that Sir Geoffrey Howe slapped on bank

deposits two years ago was another instance, in the banks' view, of the raw deal they get at the hands of government, and the double standards that are applied.

As one clearing banker says: "There is always a row when our profits go up. If we succeed in attracting a lot of deposits, that's bad news and everyone worries about an explosion in the money supply. But if building society receipts are up, that's good news."

Certainly, successive governments have never shied from clamping down on bank credit or squeezing banks into corsets to stop them growing. But the importance of building society deposits is now recognised: these are included in the broad money supply measure, M2, which the Treasury now targets for the purpose of monetary policy. Not surprisingly, M2 is zooming ahead at the moment.

More people now also wonder whether the building societies may not actually be channelling too much money into housing. Lord Richardson, when still Governor last May, warned that the societies' advantages could "create an inequality of competition that misallocates resources," the implication being that they should prepare for tougher controls.

All this is happening just as the future of the building societies is anyway in the melting pot. Earlier this year, the societies produced their own blueprint, the Spalding Report, which suggested they be allowed to expand into new businesses, like legal services, insurance and travel agency. The Treasury has embarked on a round of consultations which may yield a Green Paper next year.

In the meantime, though the building societies are being urged to show some restraint, most aggressive of the clearers, offering a high-yielding 9 per cent account with one month's notice of withdrawal. According to Mr Fred Crawley, the deputy chief general manager, the account has attracted just under £1bn in a year. But, Mr Crawley admits, two-thirds of this simply came from other accounts within Lloyds. In other words, the bank ended up paying more for the same money.

If the banks were to start paying more interest they would have to recoup the cost in higher bank charges or higher loan costs and risk the usual outcry.

Whether bank customers would prefer to be paid for their balances in interest which is taxed, or in kind by means of subsidised bank charges is another matter. Bankers say their customers complain much more about bank charges than the low level of deposit rates.

The banks are trying to keep ahead in other ways too: by paring their costs, developing more fee-earning services and ploughing more of their resources into new businesses. Lloyds' recent £5m investment in the Black Horse estate agency is a case in point. Said Mr Crawley: "We're going to have to squeeze every possible benefit out of our system for the customer."

But even that may not be enough. If the crucial battle Mr Bowen referred to is really about deposits, the clearers may in the end be forced to drop their inhibitions and compete head-on. In which case the sedate traditions of high street banking would be gone for good. Banks would start paying interest on current accounts (this has just started in the U.S. and the inflows have been enormous) but the general level of interest rates would probably go up, and there might even be

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Customers complain most about bank charges

some creaks in the banking system as it took the strain.

There is an alternative: a truce. The banks and the building societies could decide to form an alliance rather than run each other into the ground. Some signs of this are already emerging. Many societies have picked up with banks to create cheque book or credit card services. In his Bank of England article, Mr Florde goes so far as to predict that approaching the year 2000 the UK financial services industry could consist of a mere six or seven nationwide banking partnerships of this kind.

Concentration could go further still and lead to outright mergers of banks and their competitors, and the creation of those much-predicted financial supermarkets offering every conceivable service at shopping centres or, more likely through the household TV. Ironically, the end result could be that the consumer has less choice than he or she has now.

Men & Matters

Interest pact

Two Warsaw Pact countries are pushing out the reddest of carpets this week for Britain's ex-Foreign Secretary, Lord Carrington.

Officially visiting Hungary and Bulgaria as chairman of GEC to promote the company's interests there, Carrington is evidently finding his hosts more intrigued by the speculation that he will be NATO's next secretary general.

Hungary's Foreign Minister, Peter Varkonyi, who turned out to meet Carrington in Budapest, apparently found it easier to contain his curiosity about the locomotive engines that GEC is making for the country than about the NATO post.

In line with his public structures against "megaphone diplomacy" towards the East, Carrington kept mum.

But President Todor Zhivkov of Bulgaria is to see Carrington in Sofia today — and it may be no coincidence, as they say there, that next week Zhivkov will have a chance to report on

the meeting to President Yuri Andropov. The Soviet leader is due to visit Sofia on his first foreign trip since taking over the Kremlin in 1982.

By the end of the week, perhaps, both sides may have got to know a bit more about each other in the friendliest possible way.

Board room

Monopoly's virtual monopoly of the market in board games for nearly 50 years is facing perhaps its first serious challenge.

New Zealander Bruce Hatherley is in London this week to launch his new game, Polycountry, in the UK. It is already a fast-selling popular success in Australia, New Zealand, South Africa and Canada.

One-time factory hand, clerk and dish-washer, Hatherley was out of work when he invented the game in 1977. "If I'd had a proper career, I'd never have got round to it," he says.

It took him another three years to find business backers, and in the three years since, at the age of 31, he has become a millionaire. "Dollars, of course," he says modestly.

Hatherley's turn of fortune is remarkably similar to that of Charles Darrow, the jobless American who invented Monopoly in the 1930s — and he admits he owes something to the pioneer.

"I was always playing Monopoly as a teenager, and constantly trying to improve it by creating more money for the game and letting people put 2,000 hotels on Mayfair."

Polycountry, which can be played at three different levels of skill, is essentially a game of business strategies against a background of politics, economics and finance. Some 50 companies have helped sponsor its promotion by paying to put their names—Lloyds Bank, Ford, British Airways among them—on the board.

Waddington—the company which has sold 15m sets of Monopoly since 1935 and still turns out half a million a year—seemed to secure marketing rights for the new game in the UK. But it was beaten to them by Woodrush Investments, run by former Wilkinson Match chairman Denis Randolph.

Like Hatherley, he believes the game's chances of breaking Monopoly's dominance are good. In the year it was introduced in Australia, it outsold the old favourite. More than half a million have since been sold in Australia, New Zealand and South Africa, many of them to schools.

Advances sales from its launch in Canada a month ago already total 200,000.

Now based in New York, Hatherley intends to introduce it through Mattel in the U.S. next year. The U.S. Treasury has already taken space on the board to promote government bonds.

Brothers-in-law

The Law Society has shown a sympathetic awareness of human frailty in arrangements for its annual conference being held for the first time abroad, in Paris this week.

Business sessions during the next two days have been restricted to the mornings — leaving ample time for the 700 or so solicitors attending to sample the Parisian fleshpots without playing truant from debates on such things as police powers, planning law, and "future developments in indemnity insurance."

Given the venue, it is perhaps not surprising that attendance this year is up by about 50 per cent.

But the decision to cross the Channel, I am told, reflects the Law Society's recognition that membership of the EEC will increasingly involve UK lawyers in working with their brethren

Wolf at the door

Mrs Thatcher and her ministers are giving high priority to the talks with China on the future of Hong Kong — and are trying valiantly to view the problem as it may be seen through Asian eyes.

Even so I will bet a used copy of the FT that Number 10 has not yet heard about the Prophecy of the Twelve Wolves. Yet many Hong Kong Chinese are convinced that therein lies the fate of the colony will be revealed.

In a downtown modern commercial office block in Hong Kong called Windsor House there is a marble foyer. In places the marble has started crazing with black lines appearing.

Chinese visitors are treating the phenomenon with the utmost seriousness. They swear that among the marks are representations of wolves.

The foyer has been a busy place with Chinese crowding in to see how many wolves can be counted. For local soothsayers are quoted as saying that when 12 wolves appear on the wall, dire events will overtake Hong Kong.

The top score was seven wolves recently. But when an English friend went to count last week the affected portion of the wall had been tactfully covered in sheeting.

Observer



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Cognac Hine

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ECONOMIC VIEWPOINT

Demand management, new style

By Samuel Brittan

DEMAND MANAGEMENT acquired a bad name in the early 1970s when it was associated with officially sponsored "dashies for growth" by both the Nixon Administration in the U.S. and the Heath Government in the UK. The objectives proved over-ambitious in the light of the shocks from which western economies suffered and of prevailing influences in the labour markets including the eastern side of the Atlantic, the increase of union monopoly power.

These growth attempts collapsed in the face of not merely high, but accelerating, inflation, which centralised pay and price controls proved unable to stem for more than brief periods. There followed stringent counter-inflationary policies accompanied by recession, which have made up much of the history of the last decade.

Moreover, the likelihood that demand management would eventually collapse had been pointed out before the event by various "counter-revolutionary" economists who did not share the then prevailing wisdom.

Nevertheless, the present fashion for dismissing demand management completely—prevalent not only among Thatcher ministers but also among businessmen and technocrats who find the whole subject too

ethereal and ungritty—has gone much too far. Not because the criticisms of the 1970s were wrong, but because there is another kind of demand management to which they do not apply.

By placing the key words "monetary" or "nominal" before "demand"—and controlling the pace of cash spending in the economy—the danger of inducing runaway inflation is removed and the policy becomes one of achieving long-run price stability or, where stable rate of inflation governments care to choose, demand management then becomes akin to a nationwide cash objective,

like public expenditure cash limits but without the one-way restrictionism suggested by the latter term.

The task of securing full employment then falls to labour market policies. For wage settlements are crucial in determining how much of any increase in nominal demand, which is of course measured by Nominal GDP (the domestic product measured in money terms), goes in real output, and how much is frittered away in wage and price increases. A Nominal GDP objective can help indirectly by fostering a stable climate of expectations and by lessening the amount of wage adjustment required for full employment compared with a situation in which total aggregate expenditure is volatile and unpredictable.

A Nominal GDP target can be regarded as new style Keynesian demand management carried out in terms of cash expenditure rather than volume or "funny money." But in addition, and as a matter of definition, Nominal GDP is identical to any chosen measure of the money stock multiplied by its velocity of circulation.

Thus it can be regarded as a monetary target adjusted for velocity changes.

The fact that new style demand management brings together two very divergent economic schools is a merit and should help to focus attention on real issues rather than issues and proper names.

Nevertheless, economists who come to the objective from the Keynesian side have inevitably a somewhat different perspective from revisionist monetarists. Prof James Meade—one of only two British economic Nobel Prize winners—is the founder of the "New Keynesians." In Volume one of his *Stagflation study* he suggested pay policies which would promote employment, and even those who are

incomes policies learned a lot from his analysis of labour markets.

In a second volume written together with another economist, David Vines, and a control expert, Jan Madajewski, the authors explain in detail how exactly they would control Nominal GDP. (*Demand Management*, Unwin, £7.50 and £16.)

The new volume contains everything from lucid exposition of first principles and an analysis of the administrative problems of using taxes as economic regulators to a numerical attempt to show how the proposed policies would have worked since 1972, carried out on the Treasury model, and a treatise on control theory which requires more than A-level mathematics as it was taught in the Stone Age.

The great advantage of such a detailed strategy is that it provides answers in plenty for all the many questions practitioners who ask "How would you control nominal GDP?" On the other hand people who agree on this objective may disagree on how best to approach it; or they may see it, at least in the early stages, as more informal terms as a way of introducing some hierarchical order into the present medley of intermediate objectives which the British Government's medium-term financial strategy has now become.

The new volume also contains further analysis of the kind of wage behaviour which would promote employment. The key is for wages to be more sensitive to unemployment and

Prof. James Meade (right), one of only two British economic Nobel Prize winners, is the founder of the "New Keynesians."

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Prof. James Meade

less sensitive to short-term price movements. Sensitivity to the long-term inflationary trend on the other hand is not disturbing and provides one more reason for policies to make that trend as clear and apparent (as well as moderate) as possible.

A key finding is that even the degree of sensitivity to unemployment shown in recent years might have been sufficient to mitigate the unemployment explosion if wages had been less sensitive to price shocks coming, for instance, from oil price changes or VAT increases. As this conclusion is based on a wage equation which appeared fleetingly in the 1980 version of the Treasury economic model, it is still most interesting.

As the financial side, the authors have three objectives: Nominal GDP itself, a satisfactory investment ratio, and balance of payments equilibrium. The latter is a policy objective because of a desire to avoid the overshooting recently characteristic of free-floating exchange rates. (They make a strong case for measuring GDP at factor cost which would in any case be necessary with their choice of instruments.)

The chief Meade instrument for regulating Nominal GDP would be fiscal policy—preferably indirect tax changes, if wage behaviour could be modified.

This is not a completely hopeless attempt: for once people believe they are in a world of long-run price stability, or low and stable inflation, they may come to see price shocks resulting from tax increases as temporary disturbances to real income, which it would be rational to grin and bear.

Official reserves and borrowing and lending are seen as important shock absorbers for the balance of payments. In the slightly longer term the use of interest rates is recommended to maintain a "competitive exchange rate."

The re-run of the post-1972 period suggests to the authors that Nominal GDP can be regulated to a surprising degree of accuracy despite the erratic behaviour of the published quarterly series, provided we are willing to put up with frequent and large variations in indirect taxes. There are, however, other supporters of a Nominal GDP objective who see it more as a long term moving average and would be prepared to accept greater short-term deviations. Either approach would be better than the other main policy recipes on offer today.

The most startling result of the historical simulation is the large current payment deficit which would have appeared in some recent years. A lower real sterling exchange rate would have worked to eliminate these deficits but with the usual lags, and in the meanwhile they would have had to be financed either by attracting private capital inflow or by official borrowing.

This result does not depend on the details of the Meade study, but would have followed from almost any successful full employment policy pursued by one country in a recessionary world. My own guess is that if wage behaviour had really changed on Meade lines this change, together with North Sea oil prospects, would have secured the available overseas finance.

I would like to end on a frankly specialist note. The most paradoxical rule suggested

by the authors is that if a country's investment is inadequate interest rates should be lowered. This will, it is hoped, lower the real exchange rate, and boost the current balance of payments—thus stimulating overseas investment as well as capital spending at home.

Taxes would then have to be raised to curb consumption. I will make a very rash guess that when the system is fully analysed something like a PSBR constraint will re-emerge, as Meade acknowledges. In that case the ultimate long-run instruments of demand management are exchange rates and interest rates. As the world as a whole cannot have an exchange rate target, the ultimate, ultimate, weapon thus becomes nominal interest rates, which depend on the quantity of monetary assets created by government.

More explicit consideration of monetary factors might also have lessened the emphasis on frequent tax adjustments. This arises not just from perfectionism, but also from a fear that once Nominal GDP is allowed to slip in either direction cumulative inflationary or deflationary forces will gather momentum.

One does not have to be a technical monetarist to suppose that some rough stability in the

Importance dwarfing all the party conferences

stock of monetary assets would put some brake or limits on these cumulative disturbances. It is less upsetting to the Meade system to admit this, if the ultimate control weapons for nominal magnitudes turn out to be more monetary than appears on the surface.

But these quibbles from those of us who are sympathetic without being disciples must not obscure the fact that the Meade research programme is the most encouraging development in British macro economics at the moment, and dwarfs in importance all the political party conferences in Brighton and Blackpool for many years past.

Lombard

Public spending rituals

By Peter Riddell

AFTER TODAY'S Cabinet discussions on public spending there will no doubt be headlines warning of bitter clashes and hard choices ahead. But as with all good sagas we have been here before. There is a large element of ritual in expenditure debates. And even though the Treasury has refused to release its internal manual on how to conduct public spending negotiations, here are some glimpses into its folk-wisdom.

The guiding principle is (1): "The forces of public opinion, political parties, Parliament and generally speaking, Ministers, are increasingly committed to a rapid growth of public expenditure, and there is now no significant body of opinion opposing this. So the Chancellor is standing virtually alone to resist the tide, and much the most important need is to give him powerful reinforcement."

Or, more floridly (2): "This great, rapid and menacing expenditure, if those in office do not mend their ways, a financial crisis will take place which will render it impossible for the public business to be carried on."

Part of the problem is (3): "The tendency of spending Ministers to want to spend more once the pressure of events becomes more potent than the Browne points awarded for cutting their programmes."

This leads to (4): "softening up potential opponents in the Cabinet... meanwhile, back at the Treasury gloom factory, more and more miserable forecasts are being produced."

The key decision is to set the limits of any public spending review. Hence (5): the July Cabinet, facing the total expenditure, is the crucial one. Both the Treasury and spending Ministers recognise it as the key battle ground, though there may be a lot of skirmishing over the division of 'spoils' in the bilaterals later on. It is true that in theory, the overall total can be increased at the October meeting, or there can be some 'fudging' of figures but, in the main, the Prime Minister will be very firm about not allowing a re-opening of this

Cabinet decision."

Yet the talks between the Treasury and Ministers often leave spending well above the target level. The Chief Secretary of the Treasury then goes into (6): "the usual bilateral haggle across the Cabinet table on overseas aid, employment measures, housing and construction, education, health, social security, the urban programme and steel."

In addition, there is (7): "a variety of ways the figures can be 'fiddled', and if purists dislike that word, 'adjusted' is an acceptable alternative in economic jargon. There are 'estimating changes', always a useful source. Then again, the size of the contingency reserve itself is reasonably flexible. So too are estimates of shortfall."

Then comes the problem of presentation (8): "we and outside commentators imbue a public expenditure total of over £100bn with a spurious accuracy, as if we are planning to within the nearest £m." After all, (9): "every government learns pretty quickly that it is easier to talk about restraining public expenditure than to make cuts which can have any immediate impact."

In case anyone thinks this is imaginary, the quotations (with only tenses and one figure altered) are: (1) from the confidential version of the Ploewden report of 1961 in Sir Richard Clarke's *Public Expenditure, Management and Control*; (2) from W. E. Gladstone 1868; (3) from Sir Leo Plazky's *Costing and Spending*; (4) to (5) from Lord Barnett's *Inside the Treasury*; and (6) from Lord Wilson's *The Labour Government 1964-70*.

If past form is any guide, today's progress report will lead to a lively fortnight of haggling involving some senior Cabinet figure as an arbitrator, compromises in the first 10 days of November, a small raid on the £20n contingency reserve and public claims that the original spending target is being honoured—that is, of course, until it is breached next year. And discussions about longer-term priorities will again be deferred.

Letters to the Editor

Debt strategy - banks are not the only concern

From Mr S. McClelland

Sir—The article on global debt by Professor William Cline (October 12) concerns, from starting point to its complacent conclusion, how the debt crisis can be minimised for the banks. Although the strategy of the banking structure may be a worthy concern—and is obviously uppermost in the minds of the debt negotiators—it should not be the only concern. But there is a danger that it is becoming so.

As his article explains, for the remainder of the 1980s the debt crisis will be handled on a case by case approach, and will, he says, be buttressed by recovery in the Organisation for Economic Co-operation and Development area. Just enough debt rescheduling, aid, export credits and demand for their exports will be provided to developing countries to allow them to gradually pay back their loans, and to do no more. All this will be conditional upon the implementation of tight austerity programmes. This strategy will work, according to Cline's model, so long as nobody rocks the boat.

I have my doubts whether such a boat is worthy of floating. As a scenario of how the world

economy should function over the rest of the decade it is taking a decidedly minimalist course, although I suppose this does have the merit of saying what is the least that should be done.

Let us consider his view of recovery in the OECD area. Anticipated growth rates of only 2 per cent for 1984-85 will not be enough to bring unemployment down in the OECD area: hardly a "recovery." Expected OECD growth rates are unbalanced in favour of the U.S. and against Europe, which is unhelpful to those countries who traditionally rely on exporting into European markets to repay debts. Government action to promote a stronger and more even OECD recovery would be to the 4 per cent between 1976-1978, would be of greater help to all the debtor countries. But of course, the higher growth rates of that period were helped by the still buoyant OECD exports to developing countries, something which cannot be expected if conditionality clamps down further on their domestic demand.

The extent of austerity necessary for developing countries to repay loans is just about the only figure that Cline does not give, although he assures us

that it is possible "without massive domestic recession." This unquantified assurance probably does not consider that because of population growth, even a positive but low growth rate would be the same as a substantial recession. Furthermore, the ability to repay as a result of austerity programmes may be less than is supposed because of the depressive effect that simultaneous recession in many debtor countries has on their trade with each other. As we have seen, they can quickly turn a country debt problem into a regional debt crisis.

It must be said that searching for debtor countries' political breaking points as the criterion for the severity of conditionality is a funny, but decidedly unamusing, way of organising debt repayment. Politically, it is a recipe for dictatorship and repression. With the talk of recovery still echoing from Williamsburg, Cline's debt strategy has developing nations saying bye-bye to development for the rest of the decade. The International Monetary Fund's search for a better solution must go on.

Stephen McClelland,
56, Southampton Street,
Brighton,
Sussex.

The voice of America

From the Chairman,
Watkins-Johnson Co.

Sir—Mr Jurek Martin, writing from Tokyo (Lombard, October 7), has demonstrated that impartiality in radio broadcasting is in the ear of the listener just as beauty is in the eye of the beholder. His personal bias against the "current American regime" is clear to see. He might have referred to the government headed by the present occupant of No. 10 as the "current British regime" but he didn't.

I have been listening to the English broadcasts of the Voice of America (mostly African Service) and the BBC World Service for the past 20 years, whether here at home or travelling in various places. I find that the left-wing, anti-business, anti-free-market bias that pervaded the news and features of the VoA during the Ford and, particularly, the Carter periods, has now largely disappeared. To me, the VoA has become approximately as neutral as the BBC usually is. I have heard many of the editorials purporting to represent the views of the U.S. Government which are a new feature of the VoA. Mr Martin may be right when he suggests that these things do not need to be said to the Japanese but they clearly need to be said to many people in other parts of the world and I am pleased that the "current American regime" is saying them.

Although Mr Martin is to be congratulated on his ability to recognise that Radios Moscow and Pyongyang "truly are awful," he clearly needs help, not only with his thought processes but also with his portable. While in Japan for a week in early August, I was able to receive the BBC every day, morning and night, on my portable without any difficulty. I suggest that he try 11955 KHz at 7 am Japanese time and 11750, 15280, or 15360 at 6 pm and 9740 at 8 pm for the BBC. Then he won't have to listen to those "opinions of the U.S. Government (that) would terrify any self-respecting State Department official."

Dean A. Watkins,
3333 Hillview Avenue,
Stanford Industrial Park,
Palo Alto, California 94304.

Cleaning the stonework

From the Historic
Buildings Secretary,
National Trust

Sir—In his review of a book by Mark Girouard (October 10), Colin Amery endorses the author's criticism of the National Trust for its cleaning of the stonework at Hardwick Hall. When an old building is cleaned there will always be some who object on aesthetic grounds to the consequent change of appearance, but at Hardwick the cleaning was an essential step taken to arrest decay.

The Trust faced several serious problems when Hardwick came into its possession in 1959. It had to replace the badly executed tile-and-render repairs carried out at the turn of the century and had to renew a great deal of wrongly bedded stone which had weathered badly and had become structurally defective. The effect of industrial pollution including coal mining had combined in Hardwick's exposed position on a west-facing ridge to cause extensive erosion, spalling and blistering of the sandstone all over the exterior. Sulphur dioxide discharged into the atmosphere and transformed into sulphuric acid by contact

with rain, is notoriously harmful to stone and particularly so to the "Coal Measures sandstone" of which Hardwick is built. In time frost will lift off whole areas of the surface leaving rough white areas below unprotected from the weather and inviting further decay.

Although there are some who saw a certain beauty in Hardwick when it was soot black and mottled by the process I have described, the welfare of the structure had to take precedence.

I should say finally that the 20-year programme of repair on the exterior of Hardwick, now nearing completion, has been carried out under the close supervision of the Historic Buildings Council which has generously provided funds for this immense task.

M. D. Drury,
35 Queen Anne's Gate, SW1.

The voters' choice

From the Chairman,
Electoral Reform Society.

Sir—As one of two observers privileged to be invited to see the outcome of elections in New York earlier this year, my comments on the American experi-

ence referred to by Peter Pulzer (October 12) may be of interest.

The single transferable vote (STV) has been used in six successive elections for the county school boards. No evidence suggests that this election method has given splinter groups or single-issue lobbies in New York the happy hunting ground which Mr Pulzer speculates. On the contrary, one of the strongest arguments in favour of STV is that it is extremely difficult for any party, large or small, to "work" the system so as to secure an unfair advantage.

Of course it is correct to say that proportional representation will have profound effects and they will differ according to the system chosen. It is true that STV is anti-campaign in the sense that it is difficult for any caucus to bend the results in its own favour other than by attracting votes quite genuinely. In consequence any party seeking to optimise its support under STV has to pay real attention to the wishes of the voters. With STV representatives are under no illusions: they are accountable to the electors they represent and cannot simply be poodles of any party or lobby group.

Cervase Tinley,
6 Chancel Street,
Blackfriars SE1.

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FINANCIAL TIMES

Thursday October 20 1983



Iraq and Turkey in LPG pipeline agreement

By David Barchard in Ankara

TURKEY AND IRAQ yesterday signed an agreement to build a pipeline to carry 3m tonnes of liquid petroleum gas (LPG) annually from the Kirkuk fields to the Mediterranean at Yumurtalik.

Feasibility studies will begin in December and completion is expected by late 1986. The project was first considered last February when Mr Taha Aziz, the Iraqi Deputy Prime Minister, visited Ankara.

Turkey has also been considering possible natural gas pipelines from Iran and the Soviet Union.

The agreement, which was signed on behalf of Iraq by Mr Kassem Taki, the Iraqi Petroleum Minister, may have repercussions on the delicate diplomatic stance which Turkey has adopted on Iran and Iraq.

Although Iraq has traditionally been Turkey's major supplier of crude oil, Iran has recently cut off its oil supply to Turkey, and the Turkish-LPG trade is expected to be around \$1bn by the end of 1983.

Recently, Turkey has been alarmed at the possibility that the existing 900km pipeline between Kirkuk and Yumurtalik, which carries 35m tonnes of crude oil to the Mediterranean, could come under fire as a result of Iranian advances into northern Iran.

Last week, new measures were announced for the military protection of the line, and some Turkish units are believed to be guarding it on the Iraqi side of the border.

Earlier this year, the Turkish construction company Eka won a contract to expand the pipeline to an eventual annual capacity of 50m tonnes of crude.

Although the Turkish Government is unwilling to say so openly, economic links with the Baghdad Government in Baghdad have become so important for Turkey that it views a conclusive Iranian victory in the four-year-old Gulf war with alarm.

Turkish troops have been maintaining security along both sides of the border with Iraq since last May, when Turkish troops crossed into Iraqi territory in pursuit of Kurdish guerrillas. The exact extent of their incursion, made with the full consent of the Baghdad Government, has never been revealed.

Turkish officials said today that the LPG from the pipeline would be used as a feedstock for industries in the country's southern and eastern provinces.

Lisbon states its resolve to cut budget deficit

By Diana Smith in Lisbon

THE PORTUGUESE Government's resolve to stabilise the country's finances has been reaffirmed in the letter of intent to the International Monetary Fund, which was released yesterday 24 hours after the 1984 austerity budget was published.

In return for a standby loan from the IMF of SDR 445m (\$473.9m), the Government of Mr Mario Soares has undertaken to contain public spending and reduce private demand in order to bring down the balance of payments deficit on the current account to \$2bn at the end of this year and \$1.25bn at the end of 1984.

To achieve this, according to the letter of intent, the Government will work for substantial and sustained reductions in the state budget deficit. This means adjustment in the rates of various indirect taxes and improved tax enforcement, while wage rates for civil servants will be contained in 1984 and limits on hiring will be upheld. Public spending will also be controlled.

The Government intends to supervise Treasury operations more closely and strictly enforce the requirement that public sector borrowing must be authorised by the Ministry of Finance.

A joint committee of the Ministry of Finance and the Bank of Portugal, the central bank, has been set up to monitor domestic and foreign credit to the public sector and to ensure better co-ordination of the public sector borrowing requirement.

Having increased the prices of subsidised staple goods in June, the Government says that this achieved a surplus in the fund which subsidises these goods of Esc 18bn (\$14.8m) this year after years of deficit. Next year, the surplus in the fund will increase to Esc 35bn because of more flexible pricing policies.

The letter of intent commits the Government to improving the self-financing of public sector enterprises and to a thorough review of their investment programmes. This review will be carried out before the end of this year.

Furthermore, the Government is committed to keeping wage increases in public enterprises below the rate of inflation in both 1983 and 1984.

When public enterprises are in severe financial difficulties, wage increases will be held below other averages. The wage policy for the public sector will, the letter of intent says, serve as a guideline for wages in the private sector.

The letter of intent is particularly strong on containment of credit: the Government undertakes to decelerate growth of monetary and credit aggregates by enforcing credit ceilings set by the Bank of Portugal and increasing the effective cost of credit.

Interest rates were increased

twice in 1983 by a total of 7.5 per cent. The Government will now allow the rates to rise or fall according to domestic inflation and foreign interest rates.

Subsidies on credit to export are being eliminated and other subsidised interest rates are being reviewed so as to prevent abuses.

A total ceiling has been set on credit extended by the banking system of Esc 2,780bn by December 1983, and Esc 3,410bn by December 1984.

In foreign borrowing, the Government commits itself to holding the total foreign debt to no more than \$13.5bn at the end of 1983 and \$15bn at the end of 1984.

The foreign debt had escalated rapidly in the last three years particularly its short-term factor. Within the ceilings agreed with the IMF, the short-term foreign debt, including liabilities of the Bank of Portugal and of the banking system, which stood at \$3.75bn at the end of 1982, must not exceed \$3.8bn at the end of 1983 and \$4bn at the end of 1984.

The standby agreement with the IMF operates between October 7 this year and the end of February, 1985. The loan will be disbursed in quarterly tranches, each tranche depending on fulfilment of the basic performance clauses: containment of the budget deficit, and of the balance of payments deficit, and foreign borrowing.

Interest rates were increased

Elf to cut French workforce by 7% in four years

By Paul Betts in Paris

ELF AQUILAINE, the state-controlled French oil company, plans to lay off about 7 per cent of its French workforce over the next four years as part of its programme to restructure its loss-making heavy chemicals and refinery businesses.

The layoffs are part of a strategic plan for 1984-87 unveiled yesterday by M François Didier, the company's planning director. About 4,800 of Elf's 60,000 workers in France will be affected, equally divided between chemicals and refinery operations.

Elf is facing heavy financial strains because of the depressed state of the French refinery business and the company's new heavy chemicals activities, but M Didier said Elf expected to remain a strong profitable group in the medium to long term.

The company took over the heavy chemicals activities of the French nationalised PUK group and full control of the heavy chemicals business it formerly owned jointly with Total, the other large French oil company.

M Didier said Elf expects to inject about FF4.4bn (\$660m) over the next three to four years into Atochem, the Elf subsidiary grouping the new chemical assets.

He acknowledged that Elf's \$2.5bn acquisition of Texas Gulf, the U.S. mineral and energy company, had proved a disappointment so far, but he still expected the U.S. company to be an important contributor to Elf's profitability in the long term. M Didier disclosed that Elf had turned down an approach from a U.S. oil company interested in acquiring part of Texas Gulf.

M Didier also said Elf plans to spend \$100m a year on exploration in the U.S.

Elf reported net profits of FF2.78bn in the first half of this year.

Thomas Cook loses UN travel account

By William Hall in New York

THOMAS COOK, the UK travel agency, has lost its near 40-year old monopoly on providing travel facilities for the United Nations in New York.

The company lost the prestigious account worth \$17.5m a year, after the UN General Assembly instructed the UN Secretariat to take a new look at the way travel facilities were being provided and put the contract out to tender for the first time. The UN contacted 177 travel firms and eventually 10 submitted bids.

The new contract has been awarded to Don Travel, a New York company, and it will take over the account and move into Thomas Cook's offices in the UN building at the start of November. Thomas Cook will retain the account for providing travel services to the UN in Geneva.

Thomas Cook, which ranks among the top three companies in the U.S. business travel market, said it was sad to lose the account but stressed that it had not been particularly profitable because of the level of service required.

Mr David Hillman, vice-president of finance and administration at Thomas Cook in New York, said yesterday that the loss of the UN account "did not have any material effect on our business whatsoever."

He said that in the company's latest financial year, which ends at the end of this month, it had had a very successful year in the U.S. It had recently gained several major accounts from big U.S. businesses for the provision of travel facilities.

The loss of the UN contract is the latest blow for Thomas Cook in the U.S. Last year AAA, the big automobile organisation, stopped issuing Thomas Cook travellers' cheques in favour of a rival brand.

Midland Bank, Thomas Cook's parent, is still anxious to retain control of the U.S. company despite an order that it should sell Thomas Cook in the U.S. as a part of the deal whereby permission was given to take over Crocker Bank.

Midland was supposed to have sold the U.S. operations of Thomas Cook by this month, but last week the U.S. Federal Reserve gave Midland another year's reprieve partly because it said legislation now under review in Congress could widen the range of permitted activities for bank holding companies, and running a travel agency could be contained in the new legislation.

The UN has also run into problems with the changeover of travel firms since it has awarded the contract to a firm that apparently organises trips to South Africa. Republican Senator Al D'Amico has demanded an explanation from the UN Secretary General.

THE LEX COLUMN Allianz shoots to wing Eagle

Allianz Versicherung has been gently wooing the directors of Eagle Star for over two years. Polite hints that a 28 per cent stake might entitle the German company to board representation and helpful suggestions about joint ventures have been greeted with replies which were frustrating at best. So yesterday the Bavarian actuaries threw away their flowers and brought out a big stick.

An attempt by Allianz to break the deadlock is wholly understandable. The group has little to show for its substantial investment beyond capital gains, which look much less attractive in D-Mark terms than they do in sterling.

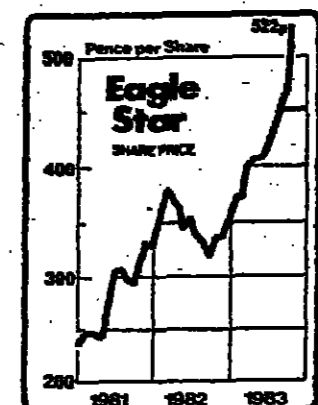
Yet Allianz continues to show a remarkable prevarication in its attitude towards Eagle Star. Having apparently contemplated selling its whole stake to finance an offer for Cornhill Insurance, the group is now making what amounts to a full and partial offer. The rules dictate a full offer but Allianz is apparently aiming to end up with a bare majority of the equity.

Whatever Allianz may say about the importance of a London quotation and of maintaining a majority of British directors, this would be very unsatisfactory for minority shareholders. Equity control, after all, means dividend control, and outvoted shareholders would have no guarantee that they were receiving a fair deal in any joint ventures between the two companies.

Allianz will, in any case, find it very difficult to hit its target. The group can only build up its minority position by buying shares in the market, and with the shares resting last night 22p above the cash bid at 52p, it would almost certainly need to increase its overall offer.

Moreover, pitching terms to attract partial acceptance runs flat against the City tradition of either staying put or accepting an offer.

The present offer is likely to make little headway when the defence can produce a net asset valuation of at least £7.50 per share. Allianz's final intentions are a mystery, but, for existing holders, the best response is to sit tight.



few engineering companies. Hawker's shares had fallen by a third from their 1983 peak before yesterday's interim figures showed a fourth successive decline in half-yearly profits, down 54 per cent on the first half last year to £53.3m for the six months to June.

Although the market's doubts only appeared to be confirmed by a 10 per cent drop in operating profits, the tone of Hawker's statement was respectfully bullish. Orders in most of the group's businesses have started to pick up, with a particularly rapid lift in the U.S., so the outlook for the rest of the year must be distinctly better, with a fair chance that Hawker will at least reach last year's £116.2m pre-tax.

The shares recovered 12p yesterday, closing at 22p, where the prospective p/e of under 8 on actual tax still leaves them at a hefty discount to the engineering sector - let alone the rest of the market. One reason for this collapse in what was until quite recently a premium rating is the market's inability to see where Hawker is going over the next few years. Like a smaller GEC, the group has accumulated cash by the effective running of a lot of rather mature businesses. If it is to regain the market's conviction, Hawker will soon have to show its hand and invest heavily in something new. But caution should be exercised in the failure to strike a deal for the John Brown turbine division a couple of months ago.

The major disappointment remains food, where sales volume has dropped by a further 54 per cent in the period. However, the new deli-orientated approach to food does seem to be producing results, and in recent months the volume decline has been eroded. Last year pre-tax profits of £14.4m, up £3.5m, point to a full year outcome of about £15m, against £48.8m.

The shares, up 2p yesterday at 21p, are standing on a prospective p/e of about 13, on a 44 per cent tax charge, which looks good value for those who believe the company's restructuring efforts will succeed and fair value for those who do not.

After about three years in which British Home Stores has seen its market share steadily decline, the tide seems to have been stemmed, if not reversed. The group has traditionally managed to pick up a greater share when consumer spending is strong: with merchandise sales volume in existing stores rising by about 74 per cent in the six months to September, that pattern seems to be re-emerging, helped by some vigorous remodelling of various product lines.

However, the success of the Allied Hambro initiative is not to be measured in terms of management fees and spreads on lending business. Direct profits are likely to be modest, at least initially. But the programme should serve as a powerful instrument to expand the take-up of other services offered by the group, such as unit trusts and life assurance.

BHS

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Allied Hambro

Allied Hambro's new "financial management programme" marks the opening of another stage in the competition among financial service companies for retail funds. In essence, the programme provides an integrated account for the finan-

Rome to investigate powers of stock exchange watchdog body

By James Buxton in Rome

THE ENTIRE workings of the Consob, Italy's stock exchange watchdog authority, are to be the subject of a major parliamentary inquiry. This follows the claim by Sir Vincenzo Milazzo, the Consob's recently appointed chairman, that the body, though founded in 1974, effectively did not exist.

Parliament decided yesterday to examine the Consob's powers and the rules governing the disclosure of information by quoted companies to their shareholders. It will address the question of whether the Consob has adequate powers but is not using them, or whether it needs to be backed by tougher legislation.

The Consob has had a troubled history since it was created by

Act of Parliament. Only in 1981, with the arrival as chairman of Prof Guido Rossi, did it begin to use its powers on any scale. Prof Rossi arranged for the Consob to set up a major office in Milan, to be near the main Italian stock exchange rather than in Rome, and took action to ensure that companies produced more information.

But he resigned in August 1982 after the crash of Banco Ambrosiano, because he felt he had misled shareholders by forcing it to be quoted on the Milan bourse only a few weeks before it went bankrupt. Sig Milazzo was appointed in January this year, and has been hampered by a drastic shortage of staff, because parliament would not approve extra funds for it.

Last week he told parliament that the Consob had "never been born" because of gaps in the legislation setting it up and the problems of co-ordination with other bodies, such as the Bank of Italy and the Treasury. He also raised eyebrows by questioning the usefulness of audited company accounts, now gradually being produced for the major quoted Italian companies.

The creation of an effective Consob has long been seen as an essential precondition to having a fair and flourishing stock exchange, which Italy currently lacks. But one of the commissioners of the Consob, Sig Gianni Fasini, told parliament that it was less the law than the practical operation of the Consob that was at fault.

Colombia debt plans backed

By Paul Betts in Paris

THE WORLD BANK gave its backing yesterday to Colombia's plans to raise \$9.8bn in new loans between now and 1986 at a rate of \$2.4bn a year.

Mr Miguel Schloss, head of the World Bank's Colombia Division, said the bank considered the Latin American country as "credit-worthy" for the amounts it wants to borrow.

After a two-day meeting in Paris between a Colombian delegation led by the country's finance minister, Sr Edgar Gutiérrez Castro, private banks and international lending institutions, Mr Schloss said the World Bank felt Colombia "will be in a capacity to pay back the debts they are planning to raise."

Colombia is hoping to raise between 80 per cent and 70 per cent of

the new loans from private banks and export credit agencies. Mr Schloss said last night. To help Colombia to secure better terms for its new loans, the World Bank has agreed to try out a new system of co-financing in which the international agency would participate in a specific credit to provide a guarantee to the private banking system.

Mr Schloss said the World Bank would initially participate in a new loan to help to finance a power project in Colombia. That type of co-financing, he said, would help to reflect the lower risk attached to Colombian debt.

Colombia appears to have argued its case successfully at the two-day consultative meeting in Paris, demonstrating that its economic situation was sound and that the country should not be considered by the international financial community as being in a similar bracket to Latin American countries such as Mexico or Brazil.

Colombia currently has debts totalling \$9.9bn, of which \$8.3bn consist of public or publicly guaranteed debts and \$1.6bn of private debts.

Mr Schloss said Colombia had a relatively low debt service ratio of public and publicly guaranteed debt of nearly 20 per cent. The new loan is expected to increase this ratio to reach a peak of 28 per cent by 1989, but the ratio should then decline after that, the World Bank official said last night.

Other operating expenses rose by 1 per cent in the latest quarter and Continental reports that over the last 12 months it has reduced its staff by slightly more than 800. Reflecting the increase in the group's equity base and the decline in assets, its equity to asset ratio at September 30 improved to 4.39 per cent compared with 4 per cent at the end of 1982. The ratio of primary capital to total assets also increased to 5.8 per cent from 5.35 per cent.

Non-performing loans, including \$485.4m relating to Penn Square participations, totalled \$20m or 6.5 per cent of total outstanding at the end of September. That compares

with a similar amount last year, but because of the decline in Continental's balance sheet, the percentage of outstandings has risen from 5.8 per cent. A year ago, \$385m related to Penn Square participations.

The group's net interest income fell by 10.7 per cent to 212.1m in the latest quarter, a result of the decline in average earning assets, which dropped from \$40.5bn a year ago to \$35.3bn in the latest quarter. Other operating income fell 5.7 per cent to \$88m.

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Creusot-Rolls talks on gas turbine plan

Continued from Page 1

fitting proposals under discussion for reforming the European Communities.

It is also possible that the achievement of a significant industrial collaboration now would help to reduce the tensions between the two countries over agricultural policy and the EEC budget.

If Creusot was unable to conclude a deal with Rolls, it could talk with two other European manufacturers of large gas turbines that use their own technology: the General Electric Company of Britain and Brown Boveri of Switzerland.

Farm payments frozen

Continued from Page 1

and the maximum revenue that can legally be drawn from member states may be little more than 200m Ecu.

Without actual economies in farm spending, the suspension of payments could thus ensure that the Community runs out of money next year. The Commission, anxious to avoid this, is urging member-states to take early decisions on its CAP reform proposals.

The Ten are aiming for agreement on these together with a plan to raise the ceiling on the EEC's budget revenues at the summit meeting in Athens at the beginning of December. Negotiations are making so little progress, however, that the search for agreement looks likely to drag on well into next year.

Setback in quarter for Continental Illinois

By William Hall in New York

CONTINENTAL Illinois, the big Chicago bank that has suffered heavy losses through its involvement with the failed Penn Square Bank, has reported a 39 per cent drop in its net income in the third quarter to \$20.48m. The performance would have been even worse had it not been for a \$7.1 non-taxable extraordinary gain resulting from the early retirement of debt.

Mr Roger Anderson, the bank's chairman and chief executive, said the third quarter had been affected by numerous factors, including weak loan volume. "While we have been able to reduce our loan loss provision modestly during recent quarters, it continues to have a significant impact on our bottom line," he said.

In the latest three months, Continental's loan loss provision totalled \$90m, the same as the comparable period of last year and slightly lower than the \$98m average per quarter in the first half of the present year.

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World Weather

	°C	°F		°C	°F		°C	°F		°C	°F
Armenia	27	81	Bahrain	25	77	Bhutan	18	64	Bolivia	22	72
Australia	22	72	Bangladesh	27	81	Brazil	22	72	Bulgaria	22	72
Austria	20	68	Barbados	25	77	Belize	25	77	Burkina Faso	27	81
Azerbaijan	22	72	Bermuda	25	77	Bhutan	18	64	Burundi	27	81
Bahamas	25	77	Bhutan	18	64	Bolivia	22	72	Cambodia	27	81
Bahrain	25	77	Brazil	22	72	Bulgaria	22	72	Cameroon	27	81
Barbados	25	77	Bangladesh	27	81	Burkina Faso	27	81	Canada	22	72
Belgium	18	64	Belize	25	77	Burundi	27	81	Chad	22	72
Bermuda	25	77	Bhutan	18	64	Burkina Faso	27	81	Colombia	22	72
Bhutan	18	64	Bolivia	22	72	Bulgaria	22	72	Costa Rica	27	81
Bolivia	22	72	Burkina Faso	27	81	Burundi	27	81	Croatia	27	81
Bosnia	22	72	Canada	22	72	Cambodia	27	81	Cuba	27	81
Brazil	22	72	Chad	22	72	Cameroon	27	81	Cyprus	27	81
Bulgaria	22	72	Colombia	22	72	Canada	22	72	Czech Republic	22	72
Burkina Faso	27	81	Costa Rica	27	81	Croatia	27	81	Dominican Republic	27	81
Burundi	27	81	Cuba	27	81	Cyprus	27	81	Ecuador	27	81
Cambodia	27	81	Cyprus	27	81	Dominican Republic	27	81	Egypt	27	81
Cameroon	27	81	Dominican Republic	27	81	Ecuador	27	81	El Salvador	27	81
Canada	22	72	Ecuador	27	81	El Salvador	27	81	Equatorial Guinea	27	81
Chad	22	72	El Salvador	27	81	Equatorial Guinea	27	81	Ethiopia	27	81
Colombia	22	72	Equatorial Guinea	27	81	Ethiopia	27	81	Fiji	27	81
Costa Rica	27	81	Ethiopia	27	81	Fiji	27	81	Ghana	27	81
Croatia	27	81	Fiji	27	81	Ghana	27	81	Guatemala	27	81
Cuba	27	81	Ghana	27	81	Guatemala	27	81	Honduras	27	81
Cyprus	27	81	Guatemala	27	81	Honduras	27	81	Iceland	18	64
Dominican Republic	27	81	Honduras	27	81	Iceland	18	64	India	27	81
Ecuador	27	81	Iceland	18	64	India	27	81	Indonesia	27	81
El Salvador	27	81	Indonesia	27	81	Indonesia	27	81	Israel	27	81
Equatorial Guinea	27	81	Israel	27	81	Israel	27	81	Italy	27	81
Ethiopia	27	81	Italy	27	81	Italy	27	81	Jamaica	27	81
Fiji	27	81	Jamaica	27	81	Jamaica	27	81	Japan	27	81
Ghana	27	81	Japan	27	81	Japan	27	81	Jordan	27	81
Guatemala	27	81	Jordan	27	81	Jordan	27	81	Kazakhstan	27	81
Honduras	27	81	Kazakhstan	27	81	Kazakhstan	27	81	Kenya	27	81
Iceland	18	64	Kenya	27	81	Kenya	27	81	Korea	27	81
India	27	81	Korea	27	81	Korea	27	81	Kuwait	27	81
Indonesia	27	81	Kuwait	27	81	Kuwait	27	81	Latvia	18	64
Israel	27	81	Latvia	18	64	Latvia	18	64	Lebanon	27	81
Italy	27	81	Lebanon	27	81	Lebanon	27	81	Lithuania	18	64
Jamaica	27	81	Lithuania	18	64	Lithuania	18	64	Madagascar	22	72
Japan	27	81	Madagascar	22	72	Madagascar	22	72	Mali	22	72
Jordan	27	81	Mali	22	72	Mali	22	72	Mexico	22	72
Kazakhstan	27	81	Mexico	22	72	Mexico	22	72	Moldavia	17	63
Kenya	27	81	Moldavia	17	63	Moldavia	17	63	Monaco	18	64
Korea	27	81	Monaco	18	64	Monaco	18	64	Montenegro	18	64
Kuwait	27	81	Montenegro	18	64	Montenegro	18	64	Nepal	18	64
Latvia	18	64	Nepal	18	64	Nepal	18	64	Netherlands	18	64
Lebanon	27	81	Netherlands	18	64	Netherlands	18	64	Nicaragua	18	64
Lithuania	18	64	Nicaragua	18	64	Nicaragua	18	64	Norway	18	64
Madagascar	22	72	Norway	18	64	Norway	18	64	Poland	18	64
Mali	22	72	Poland	18	64	Poland	18	64	Portugal	18	64
Mexico	22	72	Portugal	18	64	Portugal	18	64	Romania	18	64
Moldavia	17	63	Romania	18	64	Romania	18	64	Russia	18	64
Monaco	18	64	Russia	18	64	Russia	18	64	Saudi Arabia	17	63
Montenegro	18	64	Saudi Arabia	17	63	Saudi Arabia	17	63	Senegal	18	64
Nepal	18	64	Senegal	18	64	Senegal	18	64	Singapore	27	81
Netherlands	18	64	Singapore	27	81	Singapore	27	81	Sri Lanka	27	81
Nicaragua	18	64	Sri Lanka	27	81	Sri Lanka	27	81	Sudan	27	81
Norway	18	64	Sudan	27	81	Sudan	27	81	Switzerland	18	64
Poland	18	64	Switzerland	18	64	Switzerland	18	64	Taiwan	27	81
Portugal	18	64	Taiwan	27	81	Taiwan	27	81	Tanzania	27	81
Romania	18	64	Tanzania	27	81	Tanzania	27	81	Togo	27	81
Russia	18	64	Togo	27	81	Togo	27	81	Tunisia	27	81
Saudi Arabia	17	63	Tunisia	27	81	Tunisia	27	81	Turkey	27	81
Senegal	18	64	Turkey	27	81	Turkey	27	81	Uganda		
Singapore	27	81	Uganda			Uganda			Ukraine	18	64
Sri Lanka	27	81	Ukraine	18	64	Ukraine	18	64	United States	27	81
Sudan	27	81	United States	27	81	United States	27	81	Uruguay	27	81
Switzerland	18	64	Uruguay	27	81	Uruguay	27	81	Venezuela	27	81
Taiwan	27	81	Venezuela	27	81	Venezuela	27	81	Yemen	27	81
Tanzania	27	81	Yemen	27	81	Yemen	27	81	Zambia	27	81
Togo	27	81	Zambia	27	81	Zambia	27	81	Zimbabwe	27	81
Tunisia	27	81	Zimbabwe	27	81	Zimbabwe	27	81			
Turkey	27	81									
Uganda											
Ukraine	18	64									
United States	27	81									
Uruguay	27	81									
Venezuela	27	81									
Yemen	27	81									
Zambia	27	81									
Zimbabwe	27	81									

Readings at mid-day, Tuesday

C-Ground 0-D-Delta 5-F-Fair F-Fog H-Hail R-Rain S-Snow S-Sunshine T-Tempest U-Umbrella V-Vent W-Wind X-X-ray Y-Yellow Z-Zebra



SECTION II - INTERNATIONAL COMPANIES FINANCIAL TIMES

Thursday October 20 1983

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NEW PERSONAL COMPUTER WILL RIVAL 'LISA' IN PERSONAL COMPUTER WAR

IBM aims to crunch the Apple

BY LOUISE KEHOE IN SAN FRANCISCO

IBM has targeted Apple Computer and is intent upon making Apple a weak number two in the \$8bn personal computer market, according to U.S. industry analysts.

IBM's announcement of new high-performance versions of its personal computers (PCs) on Tuesday was directly aimed at Apple Computer's Lisa computer, according to Mr Richard Matlack, president of InfoCorp and a long-time follower of the U.S. computer industry.

On November 1, IBM is expected to announce a low-cost home computer, the PC Junior, previously code-named Penant, which will compete directly with Apple's mainline Apple IIE product.

The PC Junior is expected to sell for \$700 for a basic version and \$1,700 for a system equivalent to an Apple IIE. The PC Junior will run programs designed for the original IBM Personal Computer.

When the PC Junior will force Apple to cut the price of the IIE by around \$300 to remain competitive, suggests Mr Matlack.

Apple, however, says it has no

plans to cut its price. Instead, Apple will add new features, including a "mouse" controller to the IIE, said Mr John Sculley, Apple president.

Apple's strategy will be to position itself as the technology leader, said Mr Sculley.

"Long term, that is the only strategy that will be successful for Apple," he said. "We will have to find a role that will offer people something in Apple products that they will not find in IBM products."

"IBM is prepared to give people pedestrian technology and compatibility between all IBM products. We have to be totally distinctive and we must do that with our Lisa technology."

With the introduction of the new IBM personal computers, however, Apple's strategy no longer appears viable. The IBM 3270 personal computer is designed for the corporate market of companies that already own IBM mainframes and are currently purchasing many personal computers.

The new machine offers many of the innovative features introduced by Apple Computer on its Lisa, in-

cluding high-quality graphics and the capability to handle several different tasks concurrently.

Both Lisa and the new IBM personal computer use "windows" on the video screen to display simultaneously several different sets of data or text.

Significantly, IBM has undercut the price of Lisa by around \$1,000 and offers communications capability that enables users to access data from IBM mainframe computers, a feature not currently available on Apple's Lisa.

In addition, IBM has announced a new version of the XT personal computer that can run some programs designed for use on the IBM 370 mainframe computer.

Apple Computer will now find it difficult to sell into the corporate market, analysts predict. Apple Computer recently changed its marketing plans for Lisa, emphasising retail sales over direct sales to corporate buyers.

Mr Sculley said: "We were perhaps naive in thinking that we could go head-to-head with IBM in

the corporate market. It is clear that IBM realises that the desk top is a strategic integration point in the office automation market. At no cost will they let anyone else get on to that desk top."

Michael Thompson-Neel in Sydney writes: In a development costing more than \$500m (U.S.\$750m) during the next five years, IBM plans to manufacture its range of personal computers at Wangaratta, in Northern Victoria, for sale in Australia, New Zealand, and South-East Asia.

It has also announced software development programmes for Victoria and New South Wales, with a support centre designed to generate international sales planned for Sydney.

IBM Australia hopes to start supplying the Australian market with locally produced personal computers by next July, with sales in New Zealand and South-East Asia expected to begin in 1985.

IBM launched its PC in Australia earlier this year, and is hoping for 1983 sales of more than 5,000 units.

Gotaas-Larsen back in the black

By Andrew Fisher, Shipping Correspondent

GOTTAAS-LARSEN, the Bermuda-based international shipping company, which has shares traded in London and over the counter in New York, turned in a much improved third-quarter result, with a \$2.2m net profit against a \$4.9m loss in the corresponding period of 1982.

This was after exchange losses of \$780,000 - the third quarter of 1982 saw a \$1.9m gain on this side - and left the profit for the first nine months at \$633,000 compared with \$16m. Third-quarter earnings per share were 0.27 cents against a 0.82 cent loss a year ago.

Gotaas-Larsen's results have not benefited from any big asset sales this year. In the first half of 1982, it made a \$20.6m after tax gain on the sale of the Nortroll drilling rig.

The company said it expected the full year 1983 to be profitable. Last year, it made a \$73.3m net loss as a result of a special \$75.5m provision for its laid-up liquefied natural gas (LNG) carrier, the Golar Spirit.

This ship has now been chartered to Pertamina, the Indonesian oil and gas company, for 20 years from 1986. The other four LNG ships are trading profitably.

The Golar Frost, a liquefied petroleum gas carrier, turned in further disappointing results, as did the chemical carriers. Both these ships were profitable.

Revenues during the quarter totalled \$43.1m against \$46.5m.

Commerzbank expects record operating results

BY JOHN DAVIES IN FRANKFURT

COMMERZBANK, the smallest of West Germany's three major commercial banks, plans to set aside well over DM 500m (\$194m) from this year's earnings to cover risks, notably in foreign lending.

Dr Walter Seipp, chief executive, said that this would be about the same as the bank provided for risks last year.

In addition, the bank will also strengthen its capital position by building up its reserves, probably to the same extent as last year, although it gave no figures.

Commerzbank announced on Wednesday that it expected to end a three-year gap in dividend payments with a DM 8 payout per DM 50 share from this year's sharply improved earnings. The dividend will, however, be below the DM 8.50 payout of 1979.

The bank disclosed yesterday that it expected a record operating result this year. It said partial operating results in the first nine months reached DM 677.3m, up 62.5

per cent on the figure for three-quarters of last year's result.

However, Dr Seipp stressed that partial operating results were only an incomplete "toss" of the bank's structure. These results basically represent interest and commission earnings, minus costs for staff and materials.

Interest earnings were up 29.3 per cent at DM 1.3bn, with the interest margin on the group's credit business rising from 2 per cent last year to 2.6 per cent, a figure described by Dr Seipp as "normal". Commission earnings were up 18.2 per cent at DM 448m.

A more dramatic improvement was shown by the wider-ranging operating result, which also includes earnings from the bank's trading on its own account, minus charges for pensions, material depreciation and some taxes.

The operating result, at DM 640m, exceeded the DM 500m produced during the whole of last year.

Dr Seipp said the Luxembourg

subsidiary boosted its operating result in the first nine months from DM 21m to DM 97m. But the entire result would go towards risk provisions for foreign lending.

Dr Seipp stressed that the bank's risk provisions would be "considerably" more than DM 500m but declined to give a more exact estimate.

He said that international debtors and creditors had a long, hard road ahead. Creditors needed patience and understanding, while debtors required a painful adjustment in their economies.

The Commerzbank recognised that banks had a duty to assist in constructive measures to reschedule international debt, he said. This meant that additional credit would have to be made available in future and existing loans extended.

Dr Seipp said in many cases only stop-gap measures had been taken so far to deal with the debt problem, but a long term concept for genuine rescheduling was needed.

Republic Steel cuts deficit

By Our New York Staff

REPUBLIC STEEL, the U.S. steel company which is proposing to merge with LTV, reduced its net third quarter loss to \$35m or \$2.10 a share from \$74.8m a year ago, but only after gains from accounting changes and a \$20.7m extraordinary profit from the retirement of long-term debt.

Mr Bradley Jones, chairman and chief executive, said that while the market still remained deeply depressed in the third quarter, September operations and results showed a significant improvement over July and August, and the company was optimistic that the fourth quarter would show an improvement in volume to the highest level of the year.

Steel shipments in the third quarter were higher at 1.2m tons than the 998,000 tons shipped last year, and sales rose to \$878m against \$559m.

Mr Jones emphasises, however, that the intense competition in the market had reduced turnover by 13 per cent during the first nine months of the year, although steel shipments had been virtually identical at 3.6m tons.

He added that the capital goods and tubular markets for steel remained deeply depressed, although the company was seeing some improvement from the upturn in demand for flat-rolled products serving the consumer durable and motor industries.

During the nine months the group's net loss amounted to \$115.5m against \$176.8m a year ago, while raw steel production rose to 4.8m tons from 4.4m tons in the corresponding period of last year.

American Airlines achieves strong earnings recovery

BY TERRY DODSWORTH IN NEW YORK

AMERICAN AIRLINES, the second largest U.S. domestic carrier, has achieved spectacular profits turnaround in its third-quarter results, mainly due to productivity gains and higher yields on its passenger traffic.

Net earnings of the airline's parent company, AMR, rose to \$100.7m or \$2.05 a share against only \$17.8m in the same quarter a year ago. The figures were boosted by a clawback of provisions on anticipated aircraft disposal losses, but even after a net gain of \$16.9m for these non-recur-

ring items, the results were enough to push the share price up sharply in early trading yesterday.

American has played a pioneering role among the U.S. airlines in tackling its labour costs - a move that has since been widely followed in the industry. Earlier this year it signed a new agreement with its mechanics, which awarded substantial pay increases over a three-year period in return for abandoning automatic cost of living adjustments and adopting much more flexible working practices.

At the same time, the airline has tackled the discounting fare war by developing a new distance-related fare structure which has won wide support among travel agents.

These operating improvements were reflected in the big jump in operating income to \$125.7m against \$47.9m a year ago. Revenue rose by much less, increasing by 14.2 per cent from \$1.13m to \$1.29m, but traffic improved by 8.7 per cent, and yields - the average amount of revenue received per passenger mile - went up by 4.5 per cent.

Gambro growth maintained

BY KEVIN DOME, NORDIC CORRESPONDENT, IN STOCKHOLM

GAMBRO, Sweden's fast-growing maker of kidney dialysis equipment, increased its net profits by 49 per cent in the first eight months of the year to SKr 88.2m (\$8.2m) compared with SKr 47.8m in the same period last year.

It is the third year in succession that Gambro profits for the eight months have equalled its performance for the previous 12 months.

Turnover for the eight months from January to August rose more slowly - by 21 per cent to SKr 634m - but sales in the corresponding period last year were inflated by a SKr 36m one-off deal with the Soviet Union for the sale of dialysis manufacturing equipment and technical assistance.

Gambro's finances have been strengthened considerably this year through two share issues in Sweden and the U.S., which raised SKr 114.5m and SKr 385m respectively, and the injection of new capital has led to a significant reduction in the group's financial costs.

Its profits before tax and allocations rose by 38 per cent to SKr 107.1m for the first eight months, compared with SKr 78.6m a year earlier.

Gambro, the world leader in the sales of blood dialysis and blood filtration systems with more than 20 per cent of the world market has run into problems in recent months with the introduction of a new dialyser product line, but it expects to reach full production by the end of the year.

In its heart-lung systems division a new bubble oxygenator has completed clinical tests and sales are beginning in Sweden this autumn.

In addition Gambro's sales companies in most of its international markets have now incorporated the products in the field of intensive care and anaesthesiology equipment acquired earlier this year through the takeover of Engström Medical.

The group is pressing ahead with the building of a new SKr 20m research laboratory in Lund, location of the company headquarters in southern Sweden, and expects this project to be completed in spring 1984.

Borregaard forecasts advance

BY FAY GJESTER IN OSLO

BORREGAARD, the Norwegian industrial group with interests in forest products, chemicals, metals and foodstuffs, achieved higher profits in the four months to the end of August than in the same period last year, and expects the improvement to continue through the current four months.

Its forecast total profits for 1983 at NKr 40m to NKr 50m pre-tax, compared with NKr 31.3m (\$4.3m) in 1982. The eight months result

this year was, however, down on January-August 1982 - NKr 21.3m, compared with NKr 43.5m.

Total external sales in the eight months were NKr 2.4bn, about the same as last year. The unchanged figure was, however, achieved despite the closure last in 1982 of the group's loss-making rayon staple fibre plant, cutbacks in output at a paper plant, and the termination of Borregaard's contract to bleach pulp produced in Brazil. If these

three items are excluded from the figures for the two periods, turnover actually increased by about 12 per cent, with sales of sulphate cellulose and ores showing the most marked rise.

Sales of foodstuffs increased by 8 per cent, from NKr 468m to NKr 516m, but profitability in this section declined, reflecting keen competition and price cutting. Sales to Norwegian ships and drilling rigs were slightly down on last year.

Swedish forest group doubles pre-tax profit

BY DAVID BROWN IN STOCKHOLM

SCA (Svenska Cellulosa Aktiebolaget), Sweden's biggest forest products group, has reported a 54 per cent increase in pre-tax profit before extraordinary items to SKr 318m (\$67m) for the eight months ending in August. Sales increased 12 per cent to SKr 1.8bn.

The report forecast a substantial improvement in both operating profit and the pre-tax result for the whole of 1983, and said the last four months of the year should be better than the average of the first eight.

A market upswing, while sluggish in Europe, has been proceeding very positively in the U.S. and has allowed price increases. The group said its earnings improvement was largely a result of last October's Swedish devaluation and was affected to a certain extent by new capacity brought on line this year.

Operating profit climbed 30 per cent to SKr 548m compared with the same period a year earlier. Net financial costs, excluding foreign exchange losses - a major factor in

Sharp gain for Union Pacific

By Our New York Staff

UNION PACIFIC, the U.S. railway group which took over Missouri Pacific and Western Pacific Railroad last year, increased net earnings by 43 per cent to \$14m or \$1.4 a share in the third quarter to September.

Adjusting for the effect of the new acquisitions, however, net earnings rose only a modest 9 per cent to \$128.9m or \$1.05 a share.

The third quarter figures were also helped by a number of non-recurring items which had the net effect of increasing income in the Champion Petroleum subsidiary by \$17m.

Over the first nine months of the year the group's performance slid after adjusting for the acquisitions, with net profits falling from \$375m to \$302m. But the company said yesterday that the general economic recovery was beginning to feed through into the railroad network, with traffic 10 per cent up in the quarter over the same period last year.

Asset disposal boost for Continental

By Our New York Staff

CONTINENTAL GROUP, the U.S. conglomerate with interests in packaging, forest products, insurance and energy, reported a 25 per cent increase in net profits to \$69.2m in the third quarter against \$55.4m a year ago.

Mr Bruce Smart, chairman and chief executive, said most of the advance was attributable to a \$10.4m gain from the sale of its plastic beverage bottle and Canadian can business. Underlying earnings growth amounted to about 6 per cent compared with the same period last year.

Continental has been engaged in a steady process of rationalisation during the past year, and last month sold activities representing about half of its revenues from forest products in a \$510m deal.

This will produce an extraordinary gain in the fourth quarter, but Mr Smart said that, excluding the gains from divestitures, the group expected to show a modest improvement in this year's performance over 1982.

The main strength in the third quarter came from the group's packaging interest in the U.S. and UK and the insurance sector. Forest products continued to be depressed, while energy earnings were hit by increased transport costs in the natural gas pipeline business.

Net earnings per share for the three months amounted to \$1.94 against \$1.52, while revenues remained steady at \$1.3bn.

Weyerhaeuser hit by falling lumber price

By Our New York Staff

WEYERHAEUSER, the large U.S. forest products group, more than doubled its net income before extraordinary items to \$53.2m in the third quarter.

The third-quarter figures, however, were down on the second-quarter results, primarily because of declines in the prices of lumber and plywood. In the third quarter, Weyerhaeuser earned 35 cents a share (before a 4 cent extraordinary credit) a year ago and 46 cents a share in the immediately preceding second quarter.

Sales in the third quarter rose 22 per cent to \$1.3bn compared with a year ago, and for the first nine months of the year the group earned \$134.8m - a 24 per cent increase on the comparable 1982 figure.

Mr George Weyerhaeuser, the group's chief executive, says the rise in lumber and plywood prices in the first quarter rapidly brought industry capacity back into operation and led to an oversupply of building materials.

Crocker sees decline in third quarter

By Our Financial Staff

CROCKER NATIONAL, the U.S. West Coast bank 57 per cent owned by Midland Bank of the UK, saw third quarter net earnings slip to \$15.5m, or 73 cents a share, compared with \$21.2m in the 1982 quarter when there was a \$8.4m gain on bond trading.

Nine-month earnings were \$46.8m, or \$2.21 a share, against \$53.8m, or \$2.72 a share.

The bank said it was continuing to control operating expenses and they were down slightly from last year's third quarter.

However, Mr John Place, chairman, pointed out that "non-performing assets reduced our margins" and added, "intense competition for qualified commercial loans in the face of slack demand had the same effect."

Over the quarter, non-performing loans were down from \$122m to \$115m, against \$98m a year ago.

Wells Fargo, the 13th largest U.S. bank, also reported lower net earnings. They fell from \$41.7m or \$1.78 a share, to \$39.2m, or \$1.49 a share.

First Interstate Bancorp, the largest inter-state bank, has reported a rise in net profits in the third quarter to \$62m or \$1.45 a share from \$55.2m or \$1.33. Total income, however, fell by \$100m to \$1.08bn.

For the nine-month period earnings were \$180.9m or \$4.27 a share, against \$186.3m or \$4.05. Total income is down at \$3.17bn from the comparable period's \$3.48bn.

The bank has been forecasting that 1983 will see an improved performance against 1982.

NOTICE OF REDEMPTION OF Dart Industries Inc.

4 3/4% Subordinated Debentures due August 15, 1987

Exchangeable on and after September 1, 1973
for common stock of
Minnesota Mining and Manufacturing Company

Redemption Date: November 14, 1983
Exchange Right Expires: November 14, 1983

NOTICE IS HEREBY GIVEN to the holders of the 4 3/4% Subordinated Debentures due August 15, 1987 (the "Debentures") of Dart Industries Inc. (the "Company") exchangeable on and after September 1, 1973 for common stock of Minnesota Mining and Manufacturing Company that, pursuant to the provisions of the indenture dated as of August 16, 1972 (the "Indenture") between the Company and Morgan Guaranty Trust Company of New York, Trustee, the Company has elected to redeem all the outstanding Debentures on November 14, 1983 (the "Redemption Date") at a redemption price of 100% of the principal amount thereof, together with accrued interest from August 15, 1983 to the Redemption Date in the amount of \$12.01 for each \$1,000 principal amount. Payment of the redemption price and accrued interest, which will aggregate \$1,012.01 for each \$1,000 principal amount of Debentures, will be made on or after the Redemption Date upon presentation of the Debentures together with all coupons appertaining thereto maturing after the Redemption Date at the offices of any one of the Paying and Exchange Agents set forth below.

THE DEBENTURES WILL NO LONGER BE OUTSTANDING AFTER THE DATE FIXED FOR REDEMPTION. THE REDEMPTION PRICE WILL BECOME DUE AND PAYABLE UPON EACH DEBENTURE ON THE REDEMPTION DATE AND INTEREST THEREON SHALL CEASE TO ACCRUE ON AND AFTER THE REDEMPTION DATE.

ALTERNATIVE TO REDEMPTION

Holders of Debentures have the right on or before the close of business on November 14, 1983, to exchange the Debentures for common stock of Minnesota Mining and Manufacturing Company (the "Common Stock").

The Debentures may be exchanged for Common Stock at the rate of 10.01 shares for each \$1,000 principal amount of Debentures. In order to effect this exchange, the Debenture holder should complete, sign and surrender to any one of the Paying and Exchange Agents either the NOTICE OF ELECTION TO EXCHANGE on the Debenture or a similar notice together with the Debentures to be exchanged. A holder who surrenders Debentures for exchange will receive a certificate for the full number of whole shares of Common Stock which he is entitled to. No fractional shares of Common Stock will be issued upon exchange of any Debentures, but in lieu thereof the Company will pay in United States dollars an amount equal to the market value of such fractional shares computed on the basis of the closing price of the Common Stock on the New York Stock Exchange on the last business day before the date of exchange. If more than one Debenture shall be delivered for exchange at one time by the same holder, the number of full shares which shall be issuable or deliverable upon exchange shall be computed on the basis of the aggregate principal amount of Debentures so delivered. The exchange will be deemed to have been effected immediately prior to the close of business on the date on which the Paying and Exchange Agents receive such NOTICE OF ELECTION TO EXCHANGE or similar notice and the Debentures surrendered for exchange. Upon exchange of Debentures no payment or adjustment will be made for interest accrued thereon or on account of any cash dividends on the Common Stock delivered upon such exchange. Debentures delivered for exchange must be accompanied by all interest coupons maturing on and after August 15, 1984.

The closing price of the Common Stock on October 6, 1983, as reported in the Composite Tape for New York Stock Exchange-Listed Stocks, was \$99.13 per share. At such price, the holder of \$1,000 principal amount of Debentures would receive upon exchange shares of Common Stock and cash for the fractional interest having an aggregate value of \$90.16. However, such value is subject to change depending on changes in the market value of the Common Stock.

SO LONG AS THE MARKET PRICE OF THE COMMON STOCK DOES NOT EXCEED \$100.19 PER SHARE, HOLDERS OF DEBENTURES UPON EXCHANGE WILL RECEIVE COMMON STOCK AND CASH IN LIEU OF ANY FRACTIONAL SHARE HAVING AN AGGREGATE MARKET VALUE OF LESS THAN THE CASH WHICH THEY WOULD RECEIVE UPON REDEMPTION.

Delivery of Debentures to any one of the Paying and Exchange Agents after the close of business on November 14, 1983, regardless of instructions in any notice, will result in payment of the redemption price of 100% of the principal amount of the Debentures together with accrued interest to November 14, 1983.

PAYING AND EXCHANGE AGENTS

Morgan Guaranty Trust Company
of New York
Corporate Trust Office
30 West Broadway
New York, New York 10015

Morgan Guaranty Trust Company
of New York
Maurice Landstrasse 46
4000 Frankfurt am Main
West Germany

Morgan Guaranty Trust Company
of New York
14, Place Vendôme
Paris 75001, France

Kreditbank S.A. Luxembourg
43, Boulevard Royal
Luxembourg, Luxembourg

Hill Samuel & Co. Limited
100 Wood Street
London EC2P 2AJ, England

Morgan Guaranty Trust Company
of New York
Avenue des Arts 35
Brussels 1040, Belgium

Morgan Guaranty Trust Company
of New York
Morgan House
London EC2R 7AE, England

Bank Mees & Hope N.V.
Herengracht 548
Amsterdam 1000, The Netherlands

Credito Romagnolo S.p.A.
Via Armadori, 11
20123 Milan, Italy

DART INDUSTRIES INC.

Dated: October 13, 1983



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INTL: COMPANIES & FINANCE

Sharp rise in earnings and dividend at Nedbank

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S third largest banking group, Nedbank, maintained its strong profit advance in the year ended September 30 1983. Disclosed profit after tax and transfers to inner reserves rose by 37.2 per cent to R121.6m (US\$108.7m) from R88.6m.

The group's total assets increased by 30.1 per cent to R10.6bn from R8.1bn.

At the start of the financial year the directors said that the year's profit advance would be based on wider lending margins rather than on growth in lending. This was the case during the first three quarters, however, margins narrowed in the final three months while business volume increased

strongly.

Group chief executive, Mr Rob Abrahamson attributes a large part of the year's profit growth to the fine balance of Nedbank's business base. During the year the new northern hemisphere operations also made a useful contribution to group profits.

The non-South African operations were boosted by participations in several large foreign fundraising exercises for South African clients.

Mr Abrahamson believes that as the group has a capital surplus of R131m, which theoretically would allow the bank to increase its liabilities to the public by about R2bn, it is well

prepared for the next upswing in the South African economy.

The total dividend has been increased to 68 cents from 50 cents a share while earnings rose to 137.1 cents from 109.2 cents.

● As part of its current R10m two-year bus and truck manufacturing expansion programme, Leylands of South Africa is to buy its assembly plant in Cape Town, at Elsie River, from the McCarthy group. Leyland has leased the 100,000 sq metres plant for the past 10 years. The plant's single shift capacity is 26,000 vehicles a year and at present it is used to make the Renault 9 car.

Sony to sell speaker offshoot to Minebea

By Charles Smith in Tokyo

SONY CORPORATION has agreed to sell a wholly-owned subsidiary manufacturing audio speakers to Minebea Company, Japan's largest manufacturer of precision ball bearings.

The subsidiary company, Audio Research, will continue to make speakers for Sony to specifications provided by Sony design staff. Minebea, which already depends on electronic components for about 30 per cent of its turnover, will become Japan's third largest manufacturer of hi-fi audio speakers as a result of the sale.

Sony said it agreed to let Minebea take over Audio Research because it "appreciated" Minebea's production technology. It denied reports that the transfer could be followed by the sale of other production subsidiaries.

The Sony group includes about 60 wholly-owned subsidiary companies, some of which manufacture colour TV and Betamax video tape recorders. Sony's manufacturing subsidiaries conduct independent recruitment of blue collar and junior white collar workers who are managed by staff seconded from the parent company.

Senior Sony staff now working at Audio Research are expected to be moved back to Sony over a period of a few months following the formal transfer of ownership on November 1. Rank and file workers will remain with the company on the same terms as before the transfer.

Audio Research was established in 1968 as a joint venture between Sony and Pioneer, Japan's largest specialised audio equipment manufacturer, but became a wholly-owned Sony subsidiary in 1972. The company's annual sales are estimated at around ¥5bn (\$21.5m). Sony declined yesterday to confirm reports that Minebea had agreed to a purchase price for the company of ¥1.5bn.

Minebea has enjoyed extremely rapid growth in the past few years on the strength of sales to the consumer electronics industry. The company recently began making car stereos. Minebea has been supplying Sony with bearings and other electronic components for some years and the two companies have what Sony described as a close business relationship.

GE reduces holding in Toshiba

By Our Financial Staff

GENERAL ELECTRIC, the U.S. electrical giant, has sold part of its 8.3 per cent stake in Toshiba, one of the leading Japanese electrical goods manufacturers.

The GE sale of 60m Toshiba shares reduces the American company's holding to around 6 per cent and is estimated by brokers to have realised some ¥22bn (US\$95m). The shares were reportedly bought by Japanese financial institutions.

Toshiba and GE say the sale does not represent any change in relations between the two. GE says its holding was strictly of an investment nature and the partial sale will not affect licensing or technology agreements with the Japanese company.

Analysts consider that the sale is part of GE's re-shaping of its interests which has involved some sizeable sales of assets in Australia and elsewhere. The funds from the sale are to be used to finance other business activities, the company said.

Cooper Basin gas reserve estimates raised by 76%

BY MICHAEL THOMPSON-NOEL IN SYDNEY

OFFICIAL estimates of natural gas reserves in Australia's Cooper Basin, the scene of the country's most ambitious onshore oil and gas project, have been revised sharply higher, from 2,180bn cubic feet to about 3,985bn cubic feet.

The 76 per cent increase in estimated gas reserves is worth approximately A\$2bn at current prices, and was revealed yesterday by executives of Santos, the major partner and operator, and Delhi Petroleum, owned by CSR.

Santos stressed yesterday that the Cooper Basin, which straddles South Australia and Queensland, remained relatively unexplored. "There may be a lot of oil and gas out there that we do not yet know about," said an official.

The Cooper Basin partners, which include Crusader Oil and Vangas, are expected to spend nearly A\$200m (US\$162m) next year on exploration in the area, nearly double that of this year. This makes the basin the largest onshore venture of its kind seen so far in Australia.

Australian oil and gas stocks have been cock-a-hoop of late,

mainly on the strength of signs of a major oil discovery by Broken Hill Proprietary in the Timor Sea, off northern Australia, which could have recoverable reserves of at least 200m barrels.

Santos scored a 95 per cent increase in net profit in the six months to June 30, to A\$18.5m, and boosted its interim payout threefold, to 6 cents per share. However, the full impact of the Cooper Basin cash flow is expected next year, when sales of liquid petroleum gas commence.

13 Bombay textile mills nationalised

By K. K. Sharma in New Delhi

THE Indian Government yesterday nationalised 13 textile mills out of a total of 50 in Bombay. All the mills were affected by an industry-wide strike in the city called by Dr Datta Samant, the union leader.

The move, carried out by a presidential proclamation, was made a day before the ruling Congress (I) Party holds its last annual session in Bombay before general elections for parliament are announced and is seen by many as an election gambit.

The nationalised mills are those which the Government claims had not re-employed all the workers on their payroll and had not restarted operations. The strike began in January 1982 and has never been officially called off. Dr Samant claims that even now the mills are not operating.

Nevertheless, the Government and the mill-owners insist that the strike has fizzled out and normal operations have been resumed in most of the 50 mills.

The decree said the 13 mills owed large sums to public financial institutions and they did not have the resources needed for re-investment to put them back on their feet.

IRELAND
Floating Rate Notes due October, 1988
In accordance with the provisions of the Notes, a rate is hereby given that the Rate of Interest for the next interest period has been fixed at 10 per cent per annum. The Coupon Amounts will be U.S.\$258.33 for the U.S.\$5,000 denomination and U.S.\$129.16 for the U.S.\$2,500 denomination and will be payable on 24th April, 1984, against surrender of Coupon No. 5. Manufacturers Hanover Limited Agent Bank

This announcement appears as a matter of record only.



International Bank for Reconstruction and Development

Canadian \$75,000,000

12 1/4% Canadian Dollar Notes of 1983, due October 13, 1990

Issue Price: 100%

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CIBC Limited
Deutsche Bank Aktiengesellschaft
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Orion Royal Bank Limited
Société Générale

Banque Bruxelles Lambert S.A.
Credit Suisse First Boston Limited
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F. van Lanschot, Bankiers N.V.		Genossenschaftliche Zentralbank AG	First Chicago
Goldman Sachs International Corp.		Hambros Bank	Girozentrale und Bank der Österreichischen Sparkassen
Kidder, Peabody International		Kleinwort, Benson	Hill Samuel & Co.
McLeod Young Weir International		Midland Doherty	IBJ International
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Richardson Greenfields of Canada (U.K.)		Sanwa Bank (Underwriters)	Nederlandsche Middenstandsbank N.V.
Schoeller & Co.		J. Henry Schroder Wagg & Co.	Sal. Oppenheim Jr. & Cie.
Sumitomo Finance International		Société Séguaïnne de Banque	Rea Brothers Plc
Vereins- und Westbank		S.G. Warburg & Co. Ltd.	Sarasin International Securities Limited
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October 1983

All of these securities having been sold, this announcement appears as a matter of record only.

October, 1983

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Vereins- und Westbank Aktiengesellschaft

Samuel Montagu & Co. Limited

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Radio advertising

Kleenex sounds out a neglected medium

BY FEONA MCEWAN

OF ALL advertising media television has always scored top marks for visibility and impact. But the medium doesn't have it all its own way. Escalating production and airtime costs—300 per cent higher than they were eight years ago, or nearly double the increase in the retail price index—have forced some loyal advertisers to seek new ways of spreading the word.

Independent local radio (ILR) is one obvious contender and has hopes to gain a larger share of the cake, though expenditure figures for 1982 show that television had almost 30 per cent of the total media spend at £928m and commercial radio had £60.8m (about 2 per cent).

Just 10 years old this year, commercial radio is a relatively young medium, still in the business of wooing advertisers and indeed learning how to market itself. It has always appealed particularly to the local advertiser on a modest budget, but major advertisers have been hard to woo.

The picture, however, is changing. ILR has been sprucing up its image, centralising marketing operations, and ex-

tending the network. There are now more stations than ever: 40 in all, which cover 85 per cent of the country and 33m potential listeners. Less glamorous than television, maybe; less reach, definitely (a national radio campaign reaches on average about half the consumers of a national TV campaign); but cheaper, certainly—radio may be forgiven for feeling under-used.

Creatively, there are still too few copy-writers with an ear for the medium, which requires quite a different approach. The concept of "television without pictures" is still too common, though outstanding exceptions like David Abbott's Volvo campaign and Legas Delaney's Philips campaign prove just how sensational radio advertising can be.

This week the evidence contained in a case study of a national advertiser should give radio a major boost. It comes from Kleenex, a top drawer tissue from the Kimberley Clark stable. You may think that, like Thermos and Hoover, Kleenex was in the happy state of being mistaken as the generic and as such that the tissues sold themselves. It's a measure of the increasing pressure on branded

goods from retailers' own labels that this is not the case. Despite its top tissue status, Kleenex (which holds 27 per cent of the overall market and is brand leader with Kleenex for Men) was prompted to try radio after many years on television following its 1982 TV



campaign for Kleenex for Men. The message "Kleenex wipes a smile on your face" emphasised an improved softer and stronger product.

Results for the 1982 six week national TV campaign were not sufficient to justify a second burst. It was when the company realised that the proposed costs for just one region—STV—for 1983 were up by more than 150 per cent on 1982, that it was prompted to turn to radio instead.

Kleenex decided to run its 1983 Kleenex for Men campaign in Scotland on radio only in the central STV belt, which takes in

Edinburgh and Glasgow, and on both radio and television in the Grampian region. The radio campaign ran for six weeks, giving 85 per cent of housewives the chance to hear the message about 28 times each, compared with the five-week TV campaign which gave 85 per cent of housewives 5.4 chances to catch it.

When the agency (D'Arcy MacManus Maslin) tested the response it discovered that in the radio-only area there was a significant increase in so-called prompted awareness—one third higher than Kleenex had ever achieved previously with TV.

Brand awareness of Kleenex for Men showed no significant change either on radio or television. Neither did image change.

However, the sales figures, the touchstone of advertising effectiveness, were enough to wipe a smile onto the face of every Kleenex executive. The first six months' sales for Kleenex tissues in Scotland were up by 14 per cent compared with 5 per cent for the rest of the UK (which had carried a TV only campaign).

What is more, Kleenex for Men, which had only fleetingly been brand leader in Scotland (wresting the title from Scotties

for one month in 1982) leapt to top place in every single month of 1983 in Scotland. Prompted awareness of any Kleenex ad was up by a staggering 79 per cent.

On the back of this success, Kleenex repeated the exercise in the second half of the year with fewer spots during the campaign period. Results showed Kleenex tissues up by 14 per cent generally, but Kleenex for Men registered a remarkable 35 per cent rise.

"A very successful campaign," says Ron Huggins, group product manager, facial tissues, Kimberly Clark. "Found for pound our investment proved much more worthwhile on radio than STV. The benefit of radio is that though it gives you lower frequency (ie, you can reach fewer people but hit them more often). The question is how we can repeat this."

A similar radio campaign is now running until the end of the year in Ireland, Scotland, and Granada. If this is successful Kleenex could go national on radio next year.

Radio advertising, it seems, has won a powerful ally.

West Germans encourage the bookshop browser

BY JOHN DAVIES

THE BOOK TRADE in West Germany is trying to turn over a new leaf. Publishers and booksellers are becoming more aware that books can't be sold for ever in the old ways and that customers, young and old, have to be attracted by a careful marketing strategy.

A sign of the times was an unusual object at the International Book Fair which ended in Frankfurt this week. It was not a book; it was a vehicle. A cross between a train and a truck, it was a big brightly-coloured toy which simply invited children to sit at the steering wheel. But along the sides of the vehicle were racks with books on display.

Marketing aids like this are designed to remove the dusty and forbidding atmosphere which pervades quite a few bookshops in West Germany. They are a calculated attempt to associate reading with other interesting pastimes. The vehicle, too, represents an attempt to "get 'em young" before potential customers are lost to a world of video games and personal computers.

The Börsenverein des Deutschen Buchhandels, the association which claims to represent most publishers and booksellers, readily concedes that some bookshops could be made to appear more friendly to customers.

Bookshops, like other retail outlets in West Germany, have a long tradition of personal service. When a customer enters, he is usually approached fairly promptly and offered assistance. This is all very well if the customer knows what he or she wants. But if the purpose is just to browse, the welcome may sometimes be awkward and less than warm.

Browsing among hardbacks can in any case be difficult in German bookshops which are often small and tightly packed from floor to ceiling. Another obstacle is the practice of wrapping books in cellophane paper, which often leads to an awkward stalemate if a customer wants a copy unwrapped to look at it but the sales assistant is reluctant to risk dirty fingermarks soiling the pages.

From the bookseller's point of view, of course, space is precious and the number of titles is overwhelming.

Moreover West Germans—despite the view of foreign cynics—are a methodical people and generally know what they want, even in the case of books. So who needs to waste time browsing?

Nevertheless, there are signs that bookshops in West Germany are increasingly trying to attract customers and are more prepared to tolerate browsers. This is part of a conscious re-think of the trade's marketing strategy.

After all, the book trade has been going through a couple of worrying years. Taking account of inflation, bookshops suffered a slight decline in sales revenue in real terms in 1981 and a more pronounced setback last year. The whole book and magazine trade last year produced revenue of about DM 8.2bn (£2.1bn) up only 2.4 per cent, with bookshops taking 62.1 per cent of the market, department stores 5.2 per cent, book clubs 7.2 per cent, publishers' direct sales 11.5 per cent and other retail and mail order outlets 14.0 per cent.

Books are sealed in cellophane paper; sales assistants are reluctant to unwrap them and risk dirty fingermarks

There have also, however, been some encouraging signs. The number of book titles published in West Germany last year rose to 61,332 from 59,168 in 1981 (though it was still below the peak total of 67,176 in 1980). Although shops last year sold fewer books to libraries, government authorities and companies, they sold more to individual customers. The trade association sees this as evidence that people are overcoming their hesitation about going into bookshops.

Hoping to build on this, the book trade is mounting a campaign to promote books as gifts. The Börsenverein reports that a survey carried out earlier this year found that more than half the books sold were gifts for someone else. Gifts are more of a ritual in West Germany than in some

other countries, such as Britain. Birthdays are more widely marked by friends and work colleagues and presents given. When making a social call on friends it is also usual to take a gift. Common gifts are flowers or chocolates, but they may also be books.

The Börsenverein is hoping to reinforce such trends through its system of book tokens. Some individual bookshops have long issued their own book tokens which customers can buy as gifts but they have to be returned to the same shop to obtain actual books. The Börsenverein for the past two years has been operating a scheme under which book tokens can be bought at one shop and returned at any other. "We act as a kind of clearing house," a Börsenverein official said. The value of such tokens sold in the past year, while not immense, was three times as great as in the first year.

In the medium to long term, the West German book trade is concerned about competition from the electronic media and its effect on the reading habits of the young. Television today competes for children's leisure time and tomorrow they may be caught up with electronic sketching or even more advanced computer and video pastimes.

In a bid to counter this trend, the German book trade is distributing little round stickers for children. The stickers have catchy slogans such as: "Lesen statt dösen" (read, don't doze off), "Besser Buch als Bild" (it's better to read books than to be stupid), and "Buch macht kluch" (books make you smart).

Günther Christiansen, president of the Börsenverein, has dismissed suggestions that electronic media present any real threat to books but is there any marketing strategy to prevent books, newspapers or magazines being viewed on a screen—or even read aloud by an electronic voice?

Mitel

In yesterday's article on Mitel on this page the chart of the company's share price was quoted in dollars. The prices shown were, in fact, Mitel's London quotation in sterling.

AD HOC

IF YOU think you're seeing double, triple or even quadruple when you gaze on London's buses from now until Christmas, don't worry. You're meant to.

In the most intensive campaign ever booked by London Transport Advertising, half the available space on all the red double-deckers will be ensuring we all know the name Sharp Electronics. Altogether some 3,200 bus sides—with a further 450 in December—will feature eight different posters. The campaign, which runs nationally throughout other major cities, totalling 11,000 sides around the country, will cost £650,000.

SLUMBERDOWN Quilts returns to television next Monday after a break of two years with an £390,000 campaign intended to consolidate brand leadership and promote a new range of duvets.

The two 30-second commercials are the first produced by Collett, Dickenson, Pearce and Partners since it won the account last March. CDP's approach has been to create situations where people sleep so well beneath their duvet that nothing will wake them. The first commercial shows a farmer and his wife so soundly asleep that the farm animals are unable to wake them. In the second, burlly firemen ignore a call to rescue a cat stuck in a tree because they are snugly asleep under their duvets.

The first burst of commercials will be screened for four weeks in several television regions reaching almost three-quarters of UK consumers.

SKELETONS in the cupboard aren't usually anything to boast about. But Wight Collins Rutherford Scott is far from coy about its forthcoming spook which takes to the small screen at the end of the month.

It is all part of the agency's first campaign for Scotch 3M video cassettes, a new account this year, which at £2m is the biggest spend yet seen in this market. It is also believed to be the first time such a manufacturer has gone national straight away. The message, which is unheard of before, centres on a guarantee from the makers that the tapes will last a lifetime, re-recording as many times as you like. Any problem and, no quibbles, Scotch 3M will replace the tape. The skeleton in the year 2021 recalls buying his tape back in 1953 but not believing the claims. Now he's beginning to change his mind. "You can watch Scotch forever" is the catchline.



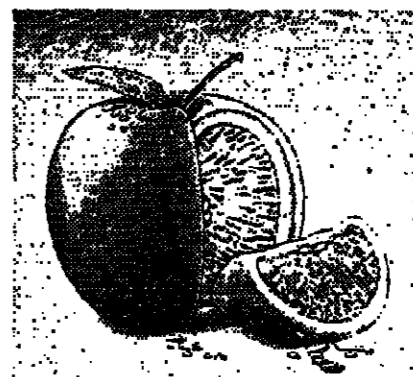
The spectre of viewing in the year 2021

These 10 words are proven to make advertising more effective.

Now
Free
You
New
Save
Sex
Good
Unique
Wife
Money

Brunnings

If you'd like your advertising to work better than it does, come and talk to us.



Brunnings

Look again, we'll surprise you.

Duport back in profit—pays interim

FOR the six months ended July 31, 1983, Duport's turnover rose to £1.9m from £1.8m in the corresponding period of 1982. The company is resuming ordinary dividend payments with a 0.3p net interim—the last paid was in July 1980.

Included in the £247,000 loss last time was £504,000 from business discontinued—of the £1.12m loss for the whole of last year, these businesses accounted for £1.74m.

First half turnover, after deducting inter-divisional sales of £393,000 (£364,000), amounted to £28.03m. This compares with £25.13m including £2.54m from the discontinued businesses.

In May the directors said that progress achieved during the 1982-83 year had continued into the early months of the current year and they expected this to be reflected in a return to modest profits.

They now say that although it is disappointing to restart the second six months without the

advantages of a more buoyant market place, "nonetheless our progress will continue as a result of our own endeavours."

A divisional analysis of turnover and £1.15m trading profits (£483,000 loss) shows: metal forming £2.71m (£10.33m) and £105,000 loss (£522,000 loss); furniture £7.13m (£7.45m) and £17,000 profit (£117,000); plastics £2.67m (£7.58m) and £1.05m (£317,000); other interests £1.61m (£1.36m) and £195,000 (£259,000). Businesses discontinued last time £3.54m turnover and £584,000 loss.

The metal forming activities continued to be affected by low demand for both engineering and automotive components, and selling prices remained under pressure. Major cost savings and better operating efficiencies, however, were secured in the foundries and resulted in these units operating profitably during the second quarter.

Results of the furniture sector

TSW profits static after trebled C4 subscription

IN THE year to July 31, 1983, pre-tax profits of TSW-Television South West Holdings were little changed at £1.3m, compared with £1.1m before.

The result, however, was after charging a Channel 4 subscription almost trebled at £1.45m, against £0.51m.

The company is paying a final dividend of 0.5p per share for a net total of 1.2p for the year. TSW is an independent television contractor, which was formed to take over the IBA region of the South-west region of England.

Turnover rose by £3.1m to £12.2m, while trading profits were higher at £1.3m, against £0.99m, before the inclusion last time of an exceptional credit of £112,000. In addition to Channel 4 subscription, trading figures were increased by depreciation of £653,000 (£391,000) and Exchequer levy of £100,000 (£188,000).

Folkes Hefo down to £0.1m—director goes

DURING THE six months to June 30 1983 taxable profits of John Folkes Hefo fell from £311,000 to £100,000. Looking to the remainder of the year Mr Constantine Folkes, chairman, says that management efforts will be concentrated on improving the poor results of the heavy engineering division.

He also says that the group has implemented a review of its forgoing activities, and Mr John Hall, the main board director who was responsible for the forgoing business, has left the group after 19 years.

The question of compensation payments to Mr Hall is in the hands of solicitors, Mr Folkes says.

The opening six months, he

says, saw an improvement in trading in the majority of the group's operations, particularly in the building supplies and merchanting divisions. Group turnover for the six months was £29.15m against £31.5m in 1982. Pre-tax profits of £1m were made.

The directors have declared an unchanged interim dividend of 0.35p net per share. Last year's final was 0.5p which maintained the total payout at 1.25p.

Mr Folkes says that the industrial property division continues to give strength to the group by contributing profits comparable with 1982, and future lettings of available factory units will provide an even greater contribution.

First half tax was £87,000 (£72,000) and after dividend payments of £159,000 (£188,000) there was a loss of £126,000 compared with a retained surplus of £70,000. The loss per share for the period is given as 0.3p (profit 0.5p).

The chairman says that the second half should show improved results over the first six months, particularly as profitability of the light engineering companies gains momentum.

comment

John Folkes Hefo is one of a handful of heavy forgers left in the UK. A dubious honour given the sparsity of orders but one the group has been able to sustain thanks to its profitable industrial property business. In

Medminster climbs to £0.4m after strong second half

SECOND HALF pre-tax profits at Medminster rose from £31,211 to £351,318, and figures for the full year to June 30, 1983 were up from £219,689 to £387,846. The increased profits were anticipated by Mr John Delaney, the chairman, in his last annual report.

Turnover of this holding company with interests in furniture hire and sale, and shipping and forwarding, improved from £10.29m to £10.85m. Cost of sales totalled £9.53m against £9.4m. Operating profit was up from £216,988 to £426,006, and investment income was lower at £17,351 (£31,623). Interest charges were

Marshall's Universal falls but UK prospects better

ALTHOUGH UK profitability improved, a reduction overseas led to a fall in pre-tax profits of Marshall's Universal from £523,997 to £194,491 for the first half of 1983. The board is, however, very confident as to the future prospects of the group both in the short and medium term.

With the prospect of increasing profitability continuing in the UK, the board hopes to be in a position to resume payment of preference dividends after approval of the 1983 accounts.

While UK sales slipped from £18.6m to £13.1m, profits were ahead at £440,878 (£325,220). Mr R. L. Doughty, the chairman says

this was a direct result of the constructive management action taken in the past few years.

Group pre-tax results this year benefited from a reduction in interest charges from £730,274 to £520,921 and lower redundancy and branch closure costs of £2,082 (£29,714).

The result, however, was struck before exchange gains down from £141,956 to £4,083 and an extraordinary charge this time of £502,999, which left an attributable deficit of £419,038 (surplus £153,945).

Earnings per 25p share were ahead at £440,878 (£325,220). Mr R. L. Doughty, the chairman says

Discount houses 'satisfactory'

Resources at Smith St Aubyn (Discounts) of account broker and banker, increased satisfactorily during the period from April 5 to September 30, say the directors. They are recommending that the net interim dividend be held at 1.5p. In the last full year a final of 3.5p was paid.

The directors of Jessel, Foyne & Gillett, discount house, have declared a satisfactory profit in the first half of its current financial year. They have declared an increased interim dividend of 2.13p net (2p) making a total dividend of £455,000. In the last full year a final of 3.5p was also paid.

Jones Stroud

For the current year to March 31, 1984, Jones Stroud (Holdings) is expecting its profits before tax to exceed £3m. This would compare with over £2.7m achieved in the previous year.

Mr P. L. Jones, chairman of the group which makes fabrics, accessories and materials for the textile and electrical industries, made the forecast at the recent annual meeting and said he was confident the figure would be reached "provided that nothing extraordinary happens within the next few months."

New London Props.

For the first half of 1983, New London Properties, a wholly owned subsidiary of Pearl Assurance, increased pre-tax revenue from £0.85m to £1.17m. Net revenue from all sources was up from £1m to £1.18m, before debenture interest of £19,186 (£19,186). The tax charge rose from £21,000 (£22,000), but was after depreciation £29,000 (£29,000) and interest £30,000 (£29,000).

Seaford Gentex

The directors of Seaford Gentex, a wholly owned subsidiary of Pearl Assurance, say the weakness of sterling during the early part of the year was the principal contributor to a £20,000 pre-tax loss for the six months ended June 18 1983, compared with £2,000 profits last time.

They are hopeful, however, that the company will trade profitably in the second half.

External turnover amounted to £2.7m (£2.44m). The pre-tax figure included associate's share of profits of £21,000 (£22,000), but was after depreciation £29,000 (£29,000) and interest £30,000 (£29,000).

Regis Property

Regis Property Holdings is putting proposals to holders of the £3.88m 8 1/2 per cent secured loan stock 1987-97 which, if approved, will remove existing restrictions on Regis and enable British Land, the parent company, to enhance its management of group resources by improving its flexibility over group assets.

In consideration of the stockholders' approval to this proposal, interest rate on the stock will be increased, with effect from July 1 1983 from 8 1/2 per cent per annum to 8 1/2 per cent per annum. The first payment at the new rate will be at the end of December.

Under the proposals, the trust deed would be altered to remove the restriction on "holdings" in relation to its power to sell shares in Regis. Property Company, a wholly owned subsidiary of "Holdings". A guarantee would be substituted by British Land and an undertaking that shares in Regis will not be sold other than to British Land or its subsidiaries.

NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency of the issue designated

8 1/2% Sinking Fund Debentures Series BW due November 15, 1986 (herein called "Debentures") of the

Q HYDRO-QUEBEC

PUBLIC NOTICE IS HEREBY GIVEN that the Hydro-Quebec intends to and will redeem for SINKING FUND PURPOSES on November 15, 1983 pursuant to the provisions of the Debentures, the following debentures as indicated, of the above-mentioned issue, at 100% of the principal amount plus accrued interest to the redemption date, namely:

Debentures bearing the Prefix BW:									
1	1166	2685	5640	5650	5693	8201	10484	14327	15670
2	1168	2701	5651	5652	5694	8202	10485	14328	15671
3	1170	2703	5653	5654	5696	8203	10486	14329	15672
4	1172	2705	5655	5656	5698	8204	10487	14330	15673
5	1174	2707	5657	5658	5700	8205	10488	14331	15674
6	1176	2709	5659	5660	5702	8206	10489	14332	15675
7	1178	2711	5661	5662	5704	8207	10490	14333	15676
8	1180	2713	5663	5664	5706	8208	10491	14334	15677
9	1182	2715	5665	5666	5708	8209	10492	14335	15678
10	1184	2717	5667	5668	5710	8210	10493	14336	15679
11	1186	2719	5669	5670	5712	8211	10494	14337	15680
12	1188	2721	5671	5672	5714	8212	10495	14338	15681
13	1190	2723	5673	5674	5716	8213	10496	14339	15682
14	1192	2725	5675	5676	5718	8214	10497	14340	15683
15	1194	2727	5677	5678	5720	8215	10498	14341	15684
16	1196	2729	5679	5680	5722	8216	10499	14342	15685
17	1198	2731	5681	5682	5724	8217	10500	14343	15686
18	1200	2733	5683	5684	5726	8218	10501	14344	15687
19	1202	2735	5685	5686	5728	8219	10502	14345	15688
20	1204	2737	5687	5688	5730	8220	10503	14346	15689
21	1206	2739	5689	5690	5732	8221	10504	14347	15690
22	1208	2741	5691	5692	5734	8222	10505	14348	15691
23	1210	2743	5693	5694	5736	8223	10506	14349	15692
24	1212	2745	5695	5696	5738	8224	10507	14350	15693
25	1214	2747	5697	5698	5740	8225	10508	14351	15694
26	1216	2749	5699	5700	5742	8226	10509	14352	15695
27	1218	2751	5701	5702	5744	8227	10510	14353	15696
28	1220	2753	5703	5704	5746	8228	10511	14354	15697
29	1222	2755	5705	5706	5748	8229	10512	14355	15698
30	1224	2757	5707	5708	5750	8230	10513	14356	15699
31	1226	2759	5709	5710	5752	8231	10514	14357	15700
32	1228	2761	5711	5712	5754	8232	10515	14358	15701
33	1230	2763	5713	5714	5756	8233	10516	14359	15702
34	1232	2765	5715	5716	5758	8234	10517	14360	15703
35	1234	2767	5717	5718	5760	8235	10518	14361	15704
36	1236	2769	5719	5720	5762	8236	10519	14362	15705
37	1238	2771	5721	5722	5764	8237	10520	14363	15706
38	1240	2773	5723	5724	5766	8238	10521	14364	15707
39	1242	2775	5725	5726	5768	8239	10522	14365	15708
40	1244	2777	5727	5728	5770	8240	10523	14366	15709
41	1246	2779	5729	5730	5772	8241	10524	14367	15710
42	1248	2781	5731	5732	5774	8242	10525	14368	15711
43	1250	2783	5733	5734	5776	8243	10526	14369	15712
44	1252	2785	5735	5736	5778	8244	10527	14370	15713
45	1254	2787	5737	5738	5780	8245	10528	14371	15714
46	1256	2789	5739	5740	5782	8246	10529	14372	15715
47	1258	2791	5741	5742	5784	8247	10530	14373	15716
48	1260	2793	5743	5744	5786	8248	10531	14374	15717
49	1262	2795	5745	5746	5788	8249	10532	14375	15718
50	1264	2797	5747	5748	5790	8250	10533	14376	15719
51	1266	2799	5749	5750	5792	8251	10534	14377	15720
52	1268	2801	5751	5752	5794	8252	10535	14378	15721
53	1270	2803	5753	5754	5796	8253	10536	14379	15722
54	1272	2805	5755	5756	5798	8254	10537	14380	15723
55	1274	2807	5757	5758	5800	8255	10538	14381	15724
56	1276	2809	5759	5760	5802	8256	10539	14382	15725
57	1278	2811	5761	5762	5804	8257	10540	14383	15726
58	1280	2813	5763	5764	5806	8258	10541	14384	15727
59	1282	2815	5765	5766	5808	8259	10542	14385	15728
60	1284	2817	5767	5768	5810	8260	10543	14386	15729
61	1286	2819	5769	5770	5812	8261	10544	14387	15730
62	1288	2821	5771	5772	5814	8262	10545	14388	15731
63	1290	2823	5773	5774	5816	8263	10546	14389	15732
64	1292	2825	5775	5776	5818	8264	10547	14390	15733
65	1294								

Redemption Notice

Hamersley Iron Finance N.V.

8% Guaranteed Debentures Due 1987

Unconditionally Guaranteed as to Principal and Interest by
HAMERSLEY HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of November 15, 1972 under which the above-described Debentures are issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has selected for redemption on November 15, 1983, (the "Redemption Date") at the principal amount thereof (the "Redemption Price"), through the operation of the Sinking Fund provided for in the said Indenture, \$2,250,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING

10000	10001	10002	10003	10004	10005	10006	10007	10008	10009	10010	10011	10012	10013	10014	10015	10016	10017	10018	10019	10020	10021	10022	10023	10024	10025	10026	10027	10028	10029	10030	10031	10032	10033	10034	10035	10036	10037	10038	10039	10040	10041	10042	10043	10044	10045	10046	10047	10048	10049	10050	10051	10052	10053	10054	10055	10056	10057	10058	10059	10060	10061	10062	10063	10064	10065	10066	10067	10068	10069	10070	10071	10072	10073	10074	10075	10076	10077	10078	10079	10080	10081	10082	10083	10084	10085	10086	10087	10088	10089	10090	10091	10092	10093	10094	10095	10096	10097	10098	10099	10100	10101	10102	10103	10104	10105	10106	10107	10108	10109	10110	10111	10112	10113	10114	10115	10116	10117	10118	10119	10120	10121	10122	10123	10124	10125	10126	10127	10128	10129	10130	10131	10132	10133	10134	10135	10136	10137	10138	10139	10140	10141	10142	10143	10144	10145	10146	10147	10148	10149	10150	10151	10152	10153	10154	10155	10156	10157	10158	10159	10160	10161	10162	10163	10164	10165	10166	10167	10168	10169	10170	10171	10172	10173	10174	10175	10176	10177	10178	10179	10180	10181	10182	10183	10184	10185	10186	10187	10188	10189	10190	10191	10192	10193	10194	10195	10196	10197	10198	10199	10200	10201	10202	10203	10204	10205	10206	10207	10208	10209	10210	10211	10212	10213	10214	10215	10216	10217	10218	10219	10220	10221	10222	10223	10224	10225	10226	10227	10228	10229	10230	10231	10232	10233	10234	10235	10236	10237	10238	10239	10240	10241	10242	10243	10244	10245	10246	10247	10248	10249	10250	10251	10252	10253	10254	10255	10256	10257	10258	10259	10260	10261	10262	10263	10264	10265	10266	10267	10268	10269	10270	10271	10272	10273	10274	10275	10276	10277	10278	10279	10280	10281	10282	10283	10284	10285	10286	10287	10288	10289	10290	10291	10292	10293	10294	10295	10296	10297	10298	10299	10300	10301	10302	10303	10304	10305	10306	10307	10308	10309	10310	10311	10312	10313	10314	10315	10316	10317	10318	10319	10320	10321	10322	10323	10324	10325	10326	10327	10328	10329	10330	10331	10332	10333	10334	10335	10336	10337	10338	10339	10340	10341	10342	10343	10344	10345	10346	10347	10348	10349	10350	10351	10352	10353	10354	10355	10356	10357	10358	10359	10360	10361	10362	10363	10364	10365	10366	10367	10368	10369	10370	10371	10372	10373	10374	10375	10376	10377	10378	10379	10380	10381	10382	10383	10384	10385	10386	10387	10388	10389	10390	10391	10392	10393	10394	10395	10396	10397	10398	10399	10400	10401	10402	10403	10404	10405	10406	10407	10408	10409	10410	10411	10412	10413	10414	10415	10416	10417	10418	10419	10420	10421	10422	10423	10424	10425	10426	10427	10428	10429	10430	10431	10432	10433	10434	10435	10436	10437	10438	10439	10440	10441	10442	10443	10444	10445	10446	10447	10448	10449	10450	10451	10452	10453	10454	10455	10456	10457	10458	10459	10460	10461	10462	10463	10464	10465	10466	10467	10468	10469	10470	10471	10472	10473	10474	10475	10476	10477	10478	10479	10480	10481	10482	10483	10484	10485	10486	10487	10488	10489	10490	10491	10492	10493	10494	10495	10496	10497	10498	10499	10500	10501	10502	10503	10504	10505	10506	10507	10508	10509	10510	10511	10512	10513	10514	10515	10516	10517	10518	10519	10520	10521	10522	10523	10524	10525	10526	10527	10528	10529	10530	10531	10532	10533	10534	10535	10536	10537	10538	10539	10540	10541	10542	10543	10544	10545	10546	10547	10548	10549	10550	10551	10552	10553	10554	10555	10556	10557	10558	10559	10560	10561	10562	10563	10564	10565	10566	10567	10568	10569	10570	10571	10572	10573	10574	10575	10576	10577	10578	10579	10580	10581	10582	10583	10584	10585	10586	10587	10588	10589	10590	10591	10592	10593	10594	10595	10596	10597	10598	10599	10600	10601	10602	10603	10604	10605	10606	10607	10608	10609	10610	10611	10612	10613	10614	10615	10616	10617	10618	10619	10620	10621	10622	10623	10624	10625	10626	10627	10628	10629	10630	10631	10632	10633	10634	10635	10636	10637	10638	10639	10640	10641	10642	10643	10644	10645	10646	10647	10648	10649	10650	10651	10652	10653	10654	10655	10656	10657	10658	10659	10660	10661	10662	10663	10664	10665	10666	10667	10668	10669	10670	10671	10672	10673	10674	10675	10676	10677	10678	10679	10680	10681	10682	10683	10684	10685	10686	10687	10688	10689	10690	10691	10692	10693	10694	10695	10696	10697	10698	10699	10700	10701	10702	10703	10704	10705	10706	10707	10708	10709	10710	10711	10712	10713	10714	10715	10716	10717	10718	10719	10720	10721	10722	10723	10724	10725	10726	10727	10728	10729	10730	10731	10732	10733	10734	10735	10736	10737	10738	10739	10740	10741	10742	10743	10744	10745	10746	10747	10748	10749	10750	10751	10752	10753	10754	10755	10756	10757	10758	10759	10760	10761	10762	10763	10764	10765	10766	10767	10768	10769	10770	10771	10772	10773	10774	10775	10776	10777	10778	10779	10780	10781	10782	10783	10784	10785	10786	10787	10788	10789	10790	10791	10792	10793	10794	10795	10796	10797	10798	10799	10800	10801	10802	10803	10804	10805	10806	10807	10808	10809	10810	10811	10812	10813	10814	10815	10816	10817	10818	10819	10820	10821	10822	10823	10824	10825	10826	10827	10828	10829	10830	10831	10832	10833	10834	10835	10836	10837	10838	10839	10840	10841	10842	10843	10844	10845	10846	10847	10848	10849	10850	10851	10852	10853	10854	10855	10856	10857	10858	10859	10860	10861	10862	10863	10864	10865	10866	10867	10868	10869	10870	10871	10872	10873	10874	10875	10876	10877	10878	10879	10880	10881	10882	10883	10884	10885	10886	10887	10888	10889	10890	10891	10892	10893	10894	10895	10896	10897	10898	10899	10900	10901	10902	10903	10904	10905	10906	10907	10908	10909	10910	10911	10912	10913	10914	10915	10916	10917	10918	10919	10920	10921	10922	10923	10924	10925	10926	10927	10928	10929	10930	10931	10932	10933	10934	10935	10936	10937	10938	10939	10940	10941	10942	10943	10944	10945	10946	10947	10948	10949	10950	10951	10952	10953	10954	10955	10956	10957	10958	10959	10960	10961	10962	10963	10964	10965	10966	10967	10968	10969	10970	10971	10972	10973	10974	10975	10976	10977	10978	10979	10980	10981	10982	10983	10984	10985	10986	10987	10988	10989	10990	10991	10992	10993	10994	10995	10996	10997	10998	10999	11000	11001	11002	11003	11004	11005	11006	11007	11008	11009	11010	11011	11012	11013	11014	11015	11016	11017	11018	11019	11020	11021	11022	11023	11024	11025	11026	11027	11028	11029	11030	11031	11032	11033	11034	11035	11036	11037	11038	11039	11040	11041	11042	11043	11044	11045	11046	11047	11048	11049	11050	11051	11052	11053	11054	11055	11056	11057	11058	11059	11060	11061	11062	11063	11064	11065	11066	11067	11068	11069	11070	11071	11072	11073	11074	11075	11076	11077	11078	11079	11080	11081	11082	11083	11084	11085	11086	11087	11088	11089	11090	11091	11092	11093	11094	11095	11096	11097	11098	11099	11100	11101	11102	11103	11104	11105	11106	11107	11108	11109	11110	11111	11112	11113	11114	11115	11116	11117	11118	11119	11120	11121	11122	11123	11124	11125	11126	11127	11128	11129	11130	11131	11132	11133	11134	11135	11136	11137	11138	11139	11140	11141	11142	11143	11144	11145	11146	11147	11148	11149	11150	11151	11152	11153	11154	11155	11156	11157	11158	11159	11160	11161	11162	11163	11164	11165	11166	11167	11168	11169	11170	11171	11172	11173	11174	11175	11176	11177
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TSW REPORTS FURTHER PROGRESS

Despite increases in Channel 4 subscription (up 193% over 1981-82) and TBA transmitter rental (up 25%) TSW—Television South West Holdings PLC reports for the year ending 31st July, 1983:

	1983	1982
Turnover	£2000	£2000
Profit before Taxation	15,200	15,084
Profit after Taxation	1,133	*983
Earnings per Share	3.66p	*2.67p
Dividends per Share	1.3p	0.9p

*1982 excludes exceptional credit (1983 none)

- Profit after tax increased by 27.5%
- Dividends increased by 33.3%
- Technical and building expansion nearing completion
- Increased advertising sales revenue
- Increased programme sales revenue
- The Chairman views the future with confidence

The above figures are extracted from the company's full accounts, which will be filed with the Register of Companies and on which the company's auditors have given an unqualified report.

Copies of the Report and Accounts are available from the Secretary, TSW, Derry's Cross, Plymouth, Devon PL1 2SP.



BIDS AND DEALS

MINING NEWS

Sunlight forecasts bolster defence

BY RAY MAUGHAN

Sunlight Services Group will lift pre-tax profits by 25 per cent in 1983 to £3.5m and will push up its net dividend by 60 per cent to 7.0p per share. These forecasts form one of the three planks on which the group is resisting the £35.4m equity offer from Brengreen, the cleaning group.

Brengreen, by contrast, made pre-tax profits of £1.7m in the year to last March to which it has added £500,000 on the interest applicable to its £5m rights issue and £13,000 interest saving on loan stock conversion. After these adjustments, Brengreen, which is now offering three of its own shares at 87p, up 4p yesterday, for every Sunlight share, made profits of £2.2m.

Sunlight calculates that Brengreen's paper offer is only 14.5 times 1983 forecast earnings and thus contains no premium control for a business which, it

stresses, has been growing at a 25 per cent compound rate for a number of years. It will be paying tax on an estimated 20 per cent rate but, on a full charge, the prospective multiple would be 21.

By its own calculations, Sunlight was prepared to pay 13.6 times the fully-taxed 1981 earnings of Johnson Group Cleaners before the block imposed by the Monopolies Commission earlier this year which equates with a 16.3 exit p/e on the actual tax charge.

The second strand of its defence, is an attempt to show that Sunlight is a broadly spread business in four growing cleaning sub-sectors with a new leg in the supply of healthcare products, focused particularly on the surgical theatre equipment market.

It says that its traditional laundry and linen hire business will continue to expand while its activities in commercial cleaning—offices, factories, department stores and the like—will raise its geographic coverage by over 50 per cent this year.

Sunlight expects to acquire a new workwear processing plant in the near future and believes that existing and planned developments will boost sales by 30 per cent in 1984. The number of outlets in this field will have doubled by the end of 1985.

Security is another new sector of business, first identified in 1980, and turnover—now accounting for 2 per cent of turnover historically, is expected to double next year.

It also estimates that gearing will fall from about 40 per cent following the placing of the Johnson stake, to about 35 per cent.

As to the plans held out by privatisation for ancillary National Health services, Sun-

Some problems for Gencor gold mines

BY GEORGE MILLING-STANLEY

THE GENERALLY rather gloomy tone of the latest quarterly reports from the South African gold mines has been maintained in the reports for the September quarter from the mines in the General Mining Union Corporation (Gencor) group.

No less than four of the group's 11 mines have resumed hedging their production on the futures markets as the usual problems of rising costs and in many cases declining ore grades have been exacerbated by the wage rises granted to employees in June and July.

The marginal West Rand Consolidated was worst hit by this combination, and even a boost to mill throughput and the effect of forward sales were not enough to prevent the operation from falling back into the red.

The mine's existence must once again be regarded as precarious, with a loss from the gold operations and no sign of an upturn in demand for uranium, which could lead to the resumption of production of this potentially valuable by-product.

The June quarter's slender profit of £2,000 was wiped out over the last three months, and West Rand Consolidated reported a net loss of £827,000 (£486,000).

	Sept	June	March
No	Quarter	Quarter	Quarter
Bracken	2,439	3,105	2,728
Buffels	2,157	2,700	2,518
Grootvlei	3,899	8,524	8,228
Kinross	12,073	12,728	13,778
Leslie	2,729	2,912	2,835
Marivele	577	556	533
St Helena	16,353	13,252	21,351
Suttonville	13,522	13,522	13,522
Unisel	8,614	7,774	8,438
W Rand Cons	1,027	2,084	3,356
Westbank	15,529	13,076	13,454
Total	108,000	108,000	108,000

The other Gencor mines to report to hedging transactions were St Helena, Bracken and Marivele. St Helena increased its milling rate and managed to maintain its gold grade at 6.9 grammes per tonne and even achieved a higher average gold price through its forward sales policy.

This led to higher working

International round-up

CANADA'S gold-producing Lac Minerals has withdrawn its proposed issue of 1m shares for the time being because the fall in the gold price has depressed the company's share price.

The company filed a preliminary prospectus in September for the issue of 1m shares, following the substantial raising of a £2.5m (£2.5m) in June from the issue of 2m shares.

The share price at the time was around C\$35, not far short of the year's high of C\$35, but gold's fall below the US\$400 per ounce mark has since depressed the shares to C\$30, thus sharply reducing the amount Lac could expect to raise.

The latest annual report from Australia's Metals Exploration gives preliminary details of a shallow discovery of tin in a joint venture with North Broken Hill and Aquitaine Australia Minerals.

Metals Ex is earning a 50 per cent interest in the Midway

Pritchard buys U.S. caterer

Pritchard Services Group, the contract cleaning, catering and security company, has bought Food Concepts, a large caterer with operations in north-eastern U.S. for at least \$10m (£10m).

Food Concepts supplies industrial and commercial customers through more than 200 cafeteria operations in New York, New Jersey and Connecticut.

Pritchard will pay \$12m cash down and a further \$3m in 1989. A further payment may be made in 1988 depending on future profit performance.

Food Concepts, a privately-

owned company, has forecast pre-tax profits of about \$1.7m (£1.7m) in 1983. It had net assets at August 12 1983 of about \$1.6m.

The vendors have signed five-year service agreements with Pritchard and will be responsible for its food operations across the U.S.

Pritchard said it expects this acquisition to enable it to increase its overall marketing strength in the rapidly-growing area of hospital support services. More than half of the \$28m spent on these services annually in

the U.S. is accounted for by catering.

The company's U.S. businesses contributed 49 per cent of group turnover of £273m in 1982, but only 15 per cent of its £10m operating profit in the U.S.

Pritchard is engaged in cleaning and maintaining buildings, security, health care services and catering.

In the UK it recently acquired Spring Grove, the linen rental and workwear hire company for £2.5m.

Pritchard's shares rose 2p to 128p yesterday.

Transfusion for Butterfield

BY RAY MAUGHAN

Shares in Butterfield-Harvey, the loss-making refuse collection, vehicles, marine factors, plastics and office furniture group, are expected to return from suspension today following details of a major cash transfusion, and equity stake, by Technology Incorporated.

The Butterfield chairman, Sir Monty Finniston, revealed yesterday that the group has received an outline indication of third party interest in a bid, but as things stand, Technology is poised to inject £2m at par for 10 per cent secured convertible loan stock 1988 of Butterfield, convertible in November that year at 25p per share.

On full conversion, Technology would hold 33.1 per cent of the Butterfield equity and it also has options to take up further shares which would give it a 46.7 per cent holding, assuming executive options are exercised.

The Takeover Panel has waived Rule 34 of the City Code which would otherwise require technology to bid at 30 per cent control and above but, notwithstanding this waiver, it has

undertaken to launch a full bid for the outstanding equity at a price of not less than 50p per share if its aggregate holding reaches 45 per cent.

Subject to City Code limitations, Technology is able to buy in the market until the 45 per cent target is reached and then make a full bid for the free capital at below 50p per share.

Butterfield says that three of its four main operating divisions are profitable, but Shellvok and Drewry, the dustcart manufacturer, is still losing money—£1.4m after redundancy costs in the six months to September—but losses are expected to drop in the second half. And the group as a whole "will be in the region of break even" in that period although the full year will reveal a loss.

The relationship with Technology began in 1981 through its Dempster subsidiary which makes an advanced tailgate for domestic waste disposal vehicles. This, Shellvok believes, is ahead of the competition and it will therefore enter into trading

agreements with Dempster which are designed to boost Shellvok's share of a contracting UK market.

Shellvok, based in Dayton, Ohio, is traded on the U.S. Over-the-counter market and has 36.3m of shareholders funds. Pre-tax profits in the year to June were \$571,000 on sales of \$43m.

Butterfield shareholders will be given a chance to hear more about their major new partner at a presentation at the Great Eastern Hotel, Liverpool Street, EC at 11.00 am, October 27.

Pilkington/CIS

In connection with the purchase of CIS Holdings, a total of 1.76m Pilkington Bros ordinary shares are required to be allotted to the present holders of shares in the capital of CIS Holdings.

Application has been made for admission of the said shares to the Stock Exchange official list.

Wingate Property

British Rail Pension Trustee Co., in its role as trustee to various railway pension funds, now holds a total of 3,515,208 (25.2 per cent) of Wingate Property, Investments ordinary shares. The holding is registered in the name of Railway Pension Investments.

These shares were formerly held by Wimpey Property Holdings.

The resignations of Sir Joseph Latham as a director of Wingate and of Mr M. J. Woolley as his alternate have been accepted.

Cookson Group increases stake in Electrovert

BY CHARLES BATCHELOR

Cookson Group, the smelter and non-ferrous metal fabricator, has bought a further 15 per cent of Electrovert, a soldering equipment manufacturer of Monmouth, taking its holding to 50 per cent.

The group has also signed an option agreement to acquire the remaining 50 per cent of Electrovert after August 1985 in either one or several stages.

If the remaining shares are acquired on the same basis as the first two tranches the total purchase price will be between £8m-£7m.

Cookson—formerly Lead Industries Group—took its initial 35 per cent stake in Electrovert in July 1981 and has since been negotiating with the Canadian Foreign Investment Review Board for permission to increase

DIVIDEND INCREASED

The Board of Directors has increased the quarterly dividend rate from 68c to 70c for the fourth quarter of 1983, thus raising the anticipated annual dividend rate from \$2.72 to \$2.80. The increased fourth quarter dividend is payable December 15 to stockholders of record on November 15. This is the twelfth consecutive annual increase in dividends paid per common share. More than 228,000 stockholders will share in our earnings.

M.H. COVEY, Secretary

Tenneco Inc



HOUSTON, TEXAS

Dresdner Finance B.V.
Amsterdam

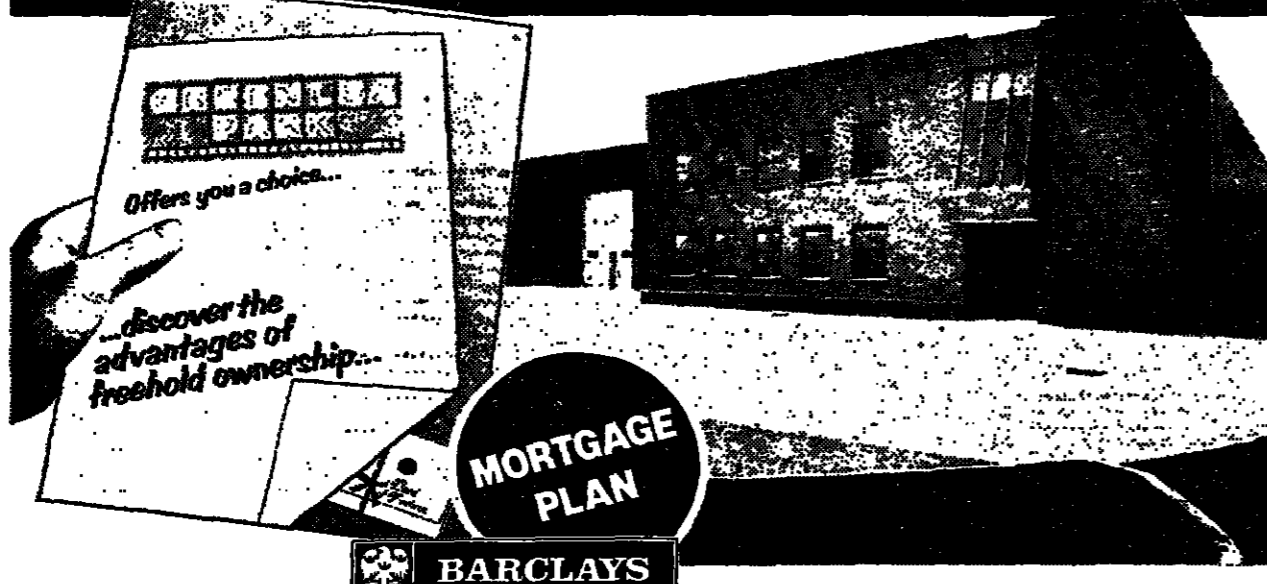
U.S.\$400,000,000
Floating Rate Notes 1983/1993 with Warrants
The rate of interest applicable to the interest period from 19th October 1983 to 19th April 1984 is determined by Morgan Guaranty Trust Company, New York as Reference Agent is 9 1/4 per cent per annum, namely U.S.\$505.16 per Note

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NEW YORK STOCK EXCHANGE 32-34
AMERICAN STOCK EXCHANGE 33-34
WORLD STOCK MARKETS 34
LONDON STOCK EXCHANGE 35-37
UNIT TRUSTS 38-39
COMMODITIES 40
CURRENCIES 41
INTERNATIONAL CAPITAL MARKETS 42

SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday October 20 1983

WALL STREET

New setback as AT&T reports

WALL STREET suffered another setback yesterday when stock in American Telephone and Telegraph fell sharply after the announcement of third-quarter earnings, writes Terry Byland in New York.

There were also further losses among the computer stocks in the wake of the depressing profits news from Digital Equipment.

The fall in stock prices was in contrast to the credit sector which edged higher, helped by repurchase arrangements by the Federal Reserve.

Shares in AT & T were suspended at \$63 following disclosure of lower earnings but a block was traded on the over the counter market at \$59, and trading in this market continued on a basis of \$80 to \$80.75.

The Dow Jones Industrial average closed 4.06 at 1,248.75. Computer stocks fell in the wake of Digital Equipment's disclosure of a heavy fall in profits. On the New York Stock Exchange, Digital topped the active list shedding a further 57% to \$7% as it was quickly removed from the recom-

mendation lists of several major brokerage houses.

Nearly one third of the company's market capitalisation has been wiped out since Tuesday afternoon's disclosure of a 76 per cent drop in first-quarter earnings.

Other computer issues to fall were Honeywell, 3% down at \$124, NCR 3% off at \$125, Control Data 2% down at \$45 and Storage Technology, 1% down at \$17 after warning of a \$6m loss for the third quarter.

But IBM, sustained by growing market belief that it is strengthening its hold on both the business and the new personal computer markets, added 5% to \$129.

Among the few other firm spots, American Airlines jumped 5% to \$30 on good results.

The banking sector was unsettled by poor results from Continental Illinois, which slumped 1% to \$20. At \$41, Citibank shed 1%.

Further profit-taking in pharmaceuticals took Merck down by 3% to \$100 and Pfizer, with results due, down by 1% to \$40.

In the motor sector, Ford gave up a further 1% to \$66 and Chrysler at \$29 lost \$1. General Motors weakened by 5% to \$78.

Rail issues proved one of the only sectors to withstand the selling bout.

Good results lifted Union Pacific by 5% to \$56 and CSX followed suit with a gain of 1% to \$75.

But across the broad range of industrial stocks, there was selling of defence issues, with General Dynamics down 1% to \$53, Minnesota Mining and Manufacturing dipped 1% to \$84 and

Rockwell 5% to \$304 but General Electric, a widely favoured stock, held its fall to 5% at \$52.

In chemicals, Union Carbide slipped 1% to \$64 despite the plans to sell-off some Conoco interests and Monsanto shed 5% to \$111.

Consumer stocks were somewhat overlooked in the shakeout in the leading industrial stocks, but Toys R Us, which plans to make a feature of personal computer sales at Christmas, fell 1% to \$42 and Dayton Hudson was 5% off at \$34.

Philip Morris, the leading cigarette manufacturer held steady at \$69.

In the credit market, the shorter end was little changed from overnight, with the three month Treasury Bills at a discount of 8.55 per cent and the six month at 8.71 per cent.

The Federal Funds rate traded at 9% per cent at which stage the Fed announced dealer and customer system repurchases. Little significance was attached to these arrangements which were regarded as of purely technical significance.

The key long bond edged up to 104% to yield 11.50 per cent.

LONDON

Allianz stars in sound performance

EQUITY MARKETS put on a relatively sound performance in London yesterday in the face of Wall Street's sharp setback overnight. The FT Industrial Ordinary index finished 0.2 ahead at 678.4.

Gilt-edged investors were content to wait until today's Cabinet meeting on public expenditure, and longs closed slightly firmer after early falls of 1/4. Revived interest in index-linked gilts was connected with inflationary implications in the latest rise in average earnings growth. Details, Page 35; Share Information Service, Pages 36-37.

HONG KONG

SHARES ENDED slightly firmer in Hong Kong at the end of the half day session, with many investors staying out of the market as two days of Sino-British talks on the future of the colony resumed in Peking.

The Hang Seng index rose 4.30 to 794.34 after slipping to 787.36 at mid-session.

Among properties, Cheung Kong and Sun Hung Kai Properties were unchanged at HK\$6.40 and HK\$4.52 respectively, while Hongkong Land lost 5 cents to HK\$2.32.

Elsewhere, China Light gained 30 cents to HK\$12.80, Hutchison Whampoa 40 cents to HK\$11.40, Jardine Matheson 5 cents to HK\$9.10 and Swire Pacific "A" 10 cents to HK\$14.

SINGAPORE

A COMBINATION of speculative buying and profit-taking left shares mixed in Singapore. The Straits Times Industrial index closed the day 0.80 higher at 852.53.

United Overseas Bank, the most actively traded share, ended 15 cents higher at S\$5.40. Plantation issues, which were in demand on Tuesday turned mixed with Consolidated Plantations adding 2 cents to S\$3.20 but K. L. Kepong 8 cent down at S\$3.12.

AUSTRALIA

A LATE rally in resource issues allowed shares to pare some early losses in Sydney.

Early declines in heavyweight mining issues were attributed to Wall Street's overnight showing, combined with the poor performance of gold and base metal prices. However, overseas investor demand developed later in the session.

The market leader, BHP, which on Tuesday fell below AS12 for the first time since the end of August, recovered 4 cents to end at AS11.95.

Among other miners, CSR shed 7 cents to AS3.73, MIM 4 cents to AS3.58, EZ Industries 24 cents to AS3.30 and North Broken Hill 2 cents to AS2.98.

SOUTH AFRICA

THE WEAKER bullion price undermined gold shares in Johannesburg yesterday.

Anglo American Gold plunged R1.75 to R12.71, while Buffels shed R1.25 to R53.5. Elsewhere diamond and platinum issues were easier with De Beers 12 cents off at R8.88 and Impala 50 cents weaker at R13.10.

In banks, Nedbank gained 75 cents to R14 on a 30 per cent rise in post-tax profit. Industrials closed mixed, where changed.

CANADA

LOSSES CONTINUED to mount in Toronto yesterday with all sectors, particularly gold issues, depressed by mid-session.

Oil and gas stocks were vulnerable to the downtrend, with metals and mining showing some resilience.

Banks in Montreal proved to be the only firm spot in a weaker market, with marked losses in industrials and papers.

TOKYO

Lower on overseas selling

THE STEEP fall experienced by Wall Street on Tuesday combined with light selling by foreigners to drive share prices lower in Tokyo yesterday, but during the afternoon prices recouped almost half of their morning losses, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei-Dow Jones market average at one stage tumbled 110.36 from the previous day's close, but recovered later to close the day at 9,280.80, down 68.26.

Volume increased slightly to 334.91m shares from Tuesday's 321.35m, declines outnumbered advances 466 to 211, with 168 issues unchanged.

With prospects for domestic politics still uncertain, the market remained bearish. Blue chip stocks plunged on the reports of Wall Street's sharp fall and selling by investors in Hong Kong and Europe, but the downward trend slackened in the afternoon on buying by brokerage houses.

Market participants believe that the time of liquidation will persist for the time being, as long as the domestic political situation remains unstable.

Foreign investors have been selling stocks since the October 12 guilty verdict on Mr Kakuei Tanaka, the former Prime Minister, for his involvement in the Lockheed pay-off scandal.

Fuji Photo Film declined Y90 at one stage amid increasing concern about its business performance, but closed at Y1,960, off Y30 on the day. Sony fell Y120 on reports that it would sell a subsidiary because of a slump in audio equipment sales, but finished the day at Y3,570, also down Y30.

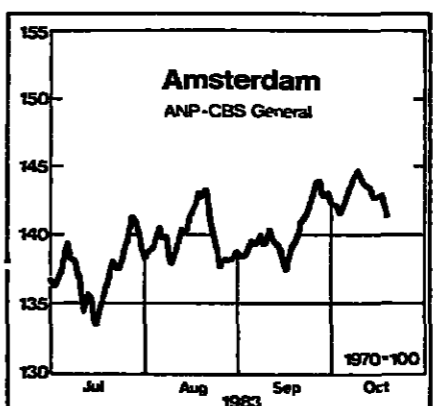
Other blue chips bounced back in the afternoon, with NEC ending at Y1,220, down Y50, Fujitsu Y1,190, down Y80, and Canon Y1,240, down Y40. Meanwhile, Hitachi gained Y3 to Y885 and Pioneer Electronic Y20 to Y2,700.

Investor interest shifted from the declining blue chips to some speculative and incentive-backed issues. Bolstered by an increase in the government's in-

vestment in public works projects, Mitsui Construction climbed Y37 to Y267. Toyo Soda also advanced Y23 to Y210 on news of its development of reinforced ceramics. However, machine tools, which gained ground almost across the board on Tuesday, turned lower.

The bond market remained weak as investors stepped to the sidelines. Bond prices had been firm since the turn of the week, on growing speculation that the Bank of Japan would shortly cut its discount rate by around 0.5 per cent from 5.5 per cent. However, they have now reached a stalemate amid a mixture of bright and bleak forecasts for the market after the discount rate cut.

As a result, the yield on the barometer 7.5 per cent government bond, maturing in January 1993, rose to 7.73 per cent from Tuesday's 7.69 per cent, on small lot selling by securities houses, and city, regional and trust banks.



EUROPE

Frankfurt scales high peaks again

RENEWED HEAVY buying of selected blue chip issues took Frankfurt to new peak levels for the second successive day but elsewhere in Europe, an easier mood prevailed in most centres.

Foreign purchasers spurred the renewed rally in many Frankfurt sectors, reversing an early downward trend that

began with profit-taking by professional investors after Tuesday's highs.

The Commerzbank index of 60 shares added 2.5 points to 992.2 for another 23-year peak, while the 1958-based FAZ index of 100 issues was up 3.46 at a record 334.69. Both measures are calculated at mid-session.

Trading was heavy with Siemens at the centre of attention. It closed at a new 1983 peak of DM 372.80 for a net gain of DM 6.30, having at one stage touched DM 373.50.

Banks extended Tuesday's gains with Commerzbank up DM 1.10 at DM 179 following its results and dividend announcement. Deutsche Bank added DM 4.80 to DM 313.10 and Dresdner DM 1 to DM 179.50.

Among motors, the recently favoured Daimler climbed DM 4.50 to DM 644 but late profit-taking left BMW down DM 3 at DM 398 and VW lost DM 9.50 at DM 227.50.

Chemicals also retreated after a steady string of gains in recent days.

The domestic bond market remained steady.

In many other centres, the mood was depressed by Wall Street's overnight performance. In Amsterdam, all sectors saw declines at the opening and few issues managed a recovery as buyers stayed out of the market.

Akzo led the declines in internationals with a F1 1.40 fall to F1 76.20. Elsewhere, publisher Elsevier was one of the few issues to erase losses. It ended unchanged on the day at F1 441 after opening at F1 438.

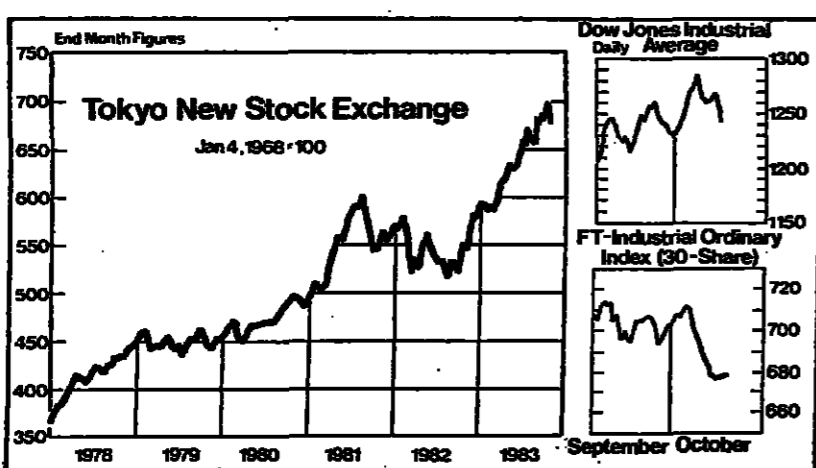
Liquidation ahead of the day's settlement of monthly accounts left Paris weaker with declines in all sectors. In the sharply weaker construction sector, Dumez shed FFr 25 to FFr 815 while in rubbers, Michelin fell FFr 10 to FFr 780.

In foods, BSN declined FFr 22 to FFr 2,355 but Carrefour rose FFr 16 to FFr 331. The announcement of a visible trade surplus for September came too late to influence the market.

Brussels closed easier in moderate trading. Petrofina was BFr 100 down at BFr 5,530, depressed by the "gasoline war" taking place on the domestic retail market. Holding companies were lower but industrials ended mixed.

Some profit-taking in recently favoured issues left Zurich slightly lower, but overall the market proved more resilient than most. Union Bank turned an initial SwFr 10 loss into a SwFr 5 gain at the SwFr 3,190 close.

KEY MARKET MONITORS



STOCK MARKET INDICES				
	Oct 19	Previous	Year ago	
NEW YORK				
DJ Industrials	1248.75	1250.81	1013.8	
DJ Transport	583.89	585.47	412.47	
DJ Utilities	136.99	137.39	122.19	
S&P Composite	166.63	167.51	136.58	
LONDON				
FT Ind Ord	678.4	678.2	620.5	
FT-A All-share	426.58	426.94	384.12	
FT-A 500	462.37	463.51	424.68	
FT-A Ind	416.00	417.49	382.92	
FT Gold mines	521.0	538.1	418.1	
FT Govt secs	81.19	81.23	84.04	
TOKYO				
Nikkei-Dow	9280.8	9348.06	7371.85	
Tokyo SE	678.88	681.29	551.88	
AUSTRALIA				
All Ord	679.8	682.1	524.6	
Metals & Mins	508.1	509.5	429.6	
AUSTRIA				
Credit Aktien	54.83	54.72	47.4	
BELGIUM				
Belgian SE	126.07	127.1	100.10	
CANADA				
Toronto Composite	2444.8	2449.8	1781.7	
Montreal				
Industrials	434.43	436.45	323.4	
Combined	415.39	416.64	308.83	
DENMARK				
Copenhagen SE	191.33	188.08	92.34	
FRANCE				
CAC Gen	140.0	141.4	100.3	
Ind. Tendance	148.7	150.1	118.1	
WEST GERMANY				
FAZ-Aktien	334.69	333.53	233.57	
Commerzbank	992.2	989.7	709.8	
HONG KONG				
Hang Seng	793.34	790.04	686.65	
ITALY				
Banca Comm.	182.13	183.95	165.45	
NETHERLANDS				
ANP-CBS Gen	141.1	142.7	95.3	
ANP-CBS Ind	116.5	116.7	73.3	
NORWAY				
Oslo SE	209.94	213.44	108.33	
SINGAPORE				
Straits Times	952.53	951.75	703.57	
SOUTH AFRICA				
Gold	735.7	755.8	770.3	
Industrials	911.9	912.4	697.8	
SPAIN				
Madrid SE	121.56	121.38	100.79	
SWEDEN				
J & P	1411.26	1432.0	754.9	
SWITZERLAND				
Swiss Bank Ind	342.6	343.6	260.6	
WORLD				
Capital Int'l	180.8	182.7	146.7	
GOLD (per ounce)				
	Oct 19	Prev	Yr ago	
London	\$394.375	\$396.875		
Frankfurt	\$394.00	\$397.25		
Zurich	\$394.50	\$397.50		
Paris (fixing)	\$396.68	\$398.00		
Luxembourg (fixing)	\$393.85	\$397.00		
New York (Oct)	\$391.10	\$396.30		

CURRENCIES				
	U.S. DOLLAR		STERLING	
(London)	Oct 19	Previous	Oct 19	Previous
\$	-	-	1.5005	1.5005
DM	2.5855	2.5845	3.8825	3.88
Yen	232.8	232.25	349.5	348.5
FFr	7.905	7.9030	11.86	11.855
SwFr	2.0885	2.0885	3.1525	3.15
Guilford	2.9065	2.9020	4.365	4.365
Lira	1575	1573.5	2383	2369
BFR	462.84	52.73	79.3	79.10
CS	1.29125	1.29125	1.847	1.847
INTEREST RATES				
Euro-currencies (three month offered rate)		Oct 19	Prev	
\$		9%	9%	
SwFr		4%	4%	
DM		5 1/4%	5 1/4%	
FFr		14%	14%	
FT London interbank fixing (offered rate)				
3-month U.S.\$		9%	9%	
6-month U.S.\$		9%	9%	
U.S. Fed Funds		9 1/4%	9%	
U.S. 3-month CDs		9.3%	9.2	
U.S. 9-month T-bills		8.45%	8.5	
U.S. BONDS				
Treasury	Oct 19		Prev	
	Price	Yield	Price	Yield
10% 1985	100 1/8	10.40%	100 3/8	10.42
11% 1990	100 1/8	11.40%	100 1/8	11.43
11% 1993	102 1/8	11.45%	102 1/8	11.49
12 2013	103 1/8	11.54%	103 1/8	11.55
Corporate	Oct 18		Prev	
	Price	Yield	Price	Yield
AT & T	94 1/8	11.60%	94.65	11.55
10% June 1990	69 1/8	10.40%	69	10.50
3% July 1990	75 1/8	12.05%	76 1/8	12.10
Xerox				
10% March 1993	93 1/8	11.80%	93 1/8	11.75
Diamond Shamrock				
10% May 1993	91 1/8	12.25%	91 1/8	12.20
Federated Dept Stores				
10% May 2013	67.475	12.20%	67.83	12.15
Abbot Lab				
11.80 Feb 2013	96.781	12.20%	97.167	12.15
Alcoa				
12% Dec 2012	96.522	12.70%	96.897	12.65
FINANCIAL FUTURES				
CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
December	72-09	72-12	71-23	72-11
U.S. Treasury Bills (BMB)				
\$1m points of 100%				
December	91.30	91.32	91.17	91.29
Certificates of Deposit (BMB)				
\$1m points of 100%				
December	90.68	90.68	90.55	90.57
LONDON				
Three-month Eurodollar				
\$1m points of 100%				
December	90.44	90.45	90.40	90.42
20-year National Gilt				
£50,000 32nds of 100%				
December	105-09	105-12	105-12	105-25
COMMODITIES				
(London)	Oct. 19		Prev	
Silver (spot fixing)	861.56p		874.20p	
Copper (cash)	£265.75		£274.50	
Coffee (Arab)	£194.50		£199.00	
Oil (excl. Arabian light)	\$28.67		\$28.70	

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NET REVENUE
\$100

CANADA

NEW YORK—DOW JONES

	1983						Stocks Completed's			
	Oct 18		Oct 17		Oct 12		High Low			
	High	Low	High	Low	High	Low	High	Low		
Industrials	1246.85	1256.81	1286.7	1263.52	1261.38	1259.65	1272.16	1274.39 (11/8)	1272.16 (11/8)	41.22
Transport	583.85	585.47	591.82	580.55	577.04	578.36	591.82	434.24 (11/8)	591.82	12.33
Utilities	136.90	137.33	138.2	137.38	137.28	137.14	140.80 (11/8)	118.40 (11/8)	153.32 (11/8)	16.85
Trading vol 10000's	18623	9108	7773	7188	8775	7953	-	-	-	-
	Oct 14		Oct 7		Sep 30		(Year Ago Approx)			
Oct 14 yield %	4.41		4.38		4.51		4.58			

TARRANT AND POORS

	1983						Stocks Completed's			
	Oct 18		Oct 17		Oct 12		High Low			
	High	Low	High	Low	High	Low	High	Low		
Industrials	188.1	188.4	192.48	191.8	191.88	191.44	193.22	194.85 (11/8)	193.22 (11/8)	3.82
Composites	168.73	167.81	170.43	169.86	168.58	168.63	170.88	170.34 (11/8)	170.88 (11/8)	4.16
Oct 14 yield %	3.85		3.80		3.80		4.70			
avg 10 Y Bond	14.73		14.51		14.89		10.81			
avg 30 Y Bond Yield	11.57		11.21		11.34		16.31			

NYSE ALL COMMON

	1983				1982			
	Oct 18		Oct 17		Oct 18		Oct 17	
	High	Low	High	Low	High	Low	High	Low
Industrials	442.82	78.70 (11/5)	442.82	78.70 (11/5)	442.82	78.70 (11/5)	442.82	78.70 (11/5)
Composites	245.5	244.8	245.5	244.8	245.5	244.8	245.5	244.8

NYSE ALL COMMON

	1983				1982			
	Oct 18		Oct 17		Oct 18		Oct 17	
	High	Low	High	Low	High	Low	High	Low
Industrials	425.8	438.45	443.87	444.88	431.88	431.88	431.88	431.88
Composites	245.5	244.8	245.5	244.8	245.5	244.8	245.5	244.8

SWITZERLAND

	Oct 19		Oct 18		Oct 17		Oct 16		High		1988	
	Oct 19		Oct 18		Oct 17		Oct 16		High		1988	
	Oct 19		Oct 18		Oct 17		Oct 16		High		1988	
AUSTRIA All Ord. (11/1/88)	879.5	882.1	887.5	887.5	887.5	887.5	887.5	887.5	795.7 (12/8)	887.5 (4/7)	887.5 (4/7)	887.5 (4/7)
Securities & Finance (11/1/88)	548.1	552.5	516.7	516.7	516.7	516.7	516.7	516.7	814.2 (4/8)	516.7 (4/8)	516.7 (4/8)	516.7 (4/8)
AUSTRIA Credit & Finance (11/1/88)	548.1	547.8	547.8	547.8	547.8	547.8	547.8	547.8	814.2 (4/8)	547.8 (4/8)	547.8 (4/8)	547.8 (4/8)
BELGIUM Societal Sec (11/1/88)	128.67	127.10	127.12	127.12	127.12	127.12	127.12	127.12	154.48 (11/8)	127.12 (11/8)	127.12 (11/8)	127.12 (11/8)
DENMARK Openhandel Sec (11/1/88)	191.35	188.00	186.50	186.50	186.50	186.50	186.50	186.50	204.22 (11/8)	186.50 (11/8)	186.50 (11/8)	186.50 (11/8)
FRANCE CAC General (11/1/88)	148.9	141.4	141.5	141.5	141.5	141.5	141.5	141.5	154.7 (11/8)	141.5 (11/8)	141.5 (11/8)	141.5 (11/8)
Ind Tendence (11/1/88)	148.7	150.1	160.7	160.7	160.7	160.7	160.7	160.7	154.7 (11/8)	160.7 (11/8)	160.7 (11/8)	160.7 (11/8)
GERMANY FAZ Aktien (11/1/88)	324.35	325.87	321.25	321.25	321.25	321.25	321.25	321.25	354.58 (11/8)	321.25 (11/8)	321.25 (11/8)	321.25 (11/8)
Commerzbank (11/1/88)	352.2	355.9	361.3	361.3	361.3	361.3	361.3	361.3	382.2 (11/8)	361.3 (11/8)	361.3 (11/8)	361.3 (11/8)
HONG KONG Hang Seng Bank (11/1/88)	784.34	798.04	771.85	771.85	771.85	771.85	771.85	771.85	1102.84 (11/8)	771.85 (11/8)	771.85 (11/8)	771.85 (11/8)
ITALY Banca Comm Ital. (11/88)	182.18	186.55	182.18	182.18	182.18	182.18	182.18	182.18	214.55 (11/8)	182.18 (11/8)	182.18 (11/8)	182.18 (11/8)
JAPAN Nikkei Dow (11/5/88)	9258.58	9545.05	9420.50	9420.50	9420.50	9420.50	9420.50	9420.50	9554.25 (11/8)	9420.50 (11/8)	9420.50 (11/8)	9420.50 (11/8)
Tokyo Sec New (11/1/88)	8715.58	8811.55	886.70	886.70	886.70	886.70	886.70	886.70	905.55 (11/8)	886.70 (11/8)	886.70 (11/8)	886.70 (11/8)
NETHERLANDS ANP-CBS General (11/7/88)	141.1	142.7	145.8	145.8	145.8	145.8	145.8	145.8	171.00 (11/8)	145.8 (11/8)	145.8 (11/8)	145.8 (11/8)
ANP-CBS Indust (11/7/88)	115.5	118.7	118.5	118.5	118.5	118.5	118.5	118.5	118.4 (11/8)	118.5 (11/8)	118.5 (11/8)	118.5 (11/8)
NORWAY Oslo Sec (11/1/88)	238.04	215.44	215.50	215.50	215.50	215.50	215.50	215.50	217.50 (11/8)	215.50 (11/8)	215.50 (11/8)	215.50 (11/8)
SINGAPORE Straights Times (11/88)	852.55	851.75	847.15	848.45	848.45	848.45	848.45	848.45	712.25 (11/8)	848.45 (11/8)	848.45 (11/8)	848.45 (11/8)
SOUTH AFRICA Gold (11/88)	(u)	715.1	717.5	728.5	728.5	728.5	728.5	728.5	804.5 (11/8)	728.5 (11/8)	728.5 (11/8)	728.5 (11/8)
Industrial (11/88)	(u)	715.1	717.5	728.5	728.5	728.5	728.5	728.5	804.5 (11/8)	728.5 (11/8)	728.5 (11/8)	728.5 (11/8)
SPAIN Madrid Sec (11/1/88)	121.96	121.36	121.36	121.36	121.36	121.36	121.36	121.36	121.36 (11/8)	121.36 (11/8)	121.36 (11/8)	121.36 (11/8)
SWEDEN Jacobson & P. (11/1/88)	1411.28	1482.00	1447.52	1426.57	1426.57	1426.57	1426.57	1426.57	1556.06 (11/8)	1426.57 (11/8)	1426.57 (11/8)	1426.57 (11/8)
SWITZERLAND SwissBankCorp. (11/1/88)	842.8	848.8	848.8	848.8	848.8	848.8	848.8	848.8	847.8 (11/8)	848.8 (11/8)	848.8 (11/8)	848.8 (11/8)
WORLD Compt Int'l. (11/1/78)	-	188.9	162.7	161.8	161.8	161.8	161.8	161.8	161.8 (11/8)	161.8 (11/8)	161.8 (11/8)	161.8 (11/8)

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Eagle Star bid generates interest in markets 'later'

460	2	18	27	35	37	42	100	49	6	12	23	27	29
500	8	8	15	67	67	72	Oct. 19, Total Contracts	1,987	valued	1,461	plus	div.	
550	1	2	6	—	117	122							

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the Flare into
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BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Shorts* (Lives up to Five Years)									
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COMMODITIES AND AGRICULTURE

World sugar values ease

By John Edwards

WORLD SUGAR values eased again yesterday on the London terminal market, in spite of reports this week that Cuba had been forced to buy some 100,000 tonnes to cover agreed sale commitments.

Heavy rainfall earlier this year is known to have hit the Cuban crop, and Cuba has indicated that it will be unable to fulfill its International Sugar Agreement export quota of 2.4m tonnes.

However, after rising earlier this month, the market has now settled back reflecting lack of consumer buying interest notably from the Soviet Union. The London daily price for raw sugar was cut by \$1.50 to \$181 a tonne compared with \$170 at the beginning of last week. On the futures market the March position was \$4 lower at \$173.25 a tonne.

The sugar beet crop in the Soviet Union is up this year, according to the government official daily, Izvestia. It reported yesterday that fine weather in late September and early October had helped the crop. But the paper admitted that problems were still being caused by breakdowns in co-operation between farmers and the processing factories.

In Brussels, the EEC weekly selling tender the commission authorised the export of 46,000 tonnes of white (refined) sugar at a maximum rebate of 20,000 European currency units per 100 kilos, and 10,000 tonnes of raw sugar with a rebate of 26,559 units.

In the past 14 weeks the EEC has authorised the export of 587,000 tonnes of white sugar and 210,000 tonnes of raw sugar. Yesterday's authorisations were in line with market expectations and had little impact on prices. The increase in rebates merely reflects the lower trend

Fishermen attack 'political' mussel ban

A ROW has broken out between two neighbouring fishing ports over a proposed ban on mussel catching.

Fishermen in the Wash port of King's Lynn have claimed that the ban, which may be introduced next month by Boston borough council is "political".

The council claims the mussels in its area have been polluted and should not be caught unless they are cleaned in its new \$60,000 purification plant.

King's Lynn fishermen rely heavily on mussels caught in the Boston water. One boat owner said yesterday: "We see this as a political move to ensure that the Boston men get the best mussels."

On the dole

Mr David Howard, chairman of the King's Lynn Fishing Vessels Owners' Association, said the mussels on their side of the water were useless. "If we can't gather mussels, we'll be out of work and on the dole. This is a complete disaster."

He estimates that 34 King's Lynn boats and 74 men would be put out of work.

Earlier this year, Boston banned mussel catching in certain areas of its waters because of human and animal sewage contamination.

Now a Ministry of Agriculture micro-biologist has said that the mussels in the whole of the Boston area are polluted. He recommended that the ban be extended.

Mr R. Ernest Coley, Boston's chief executive, dismissed the claim that the ban was a political move as "rubbish."

Zinc prices climb to nine-year high

By John Edwards, COMMODITIES EDITOR

ZINC PRICES climbed to the highest levels for nine years on the London Metal Exchange yesterday. Three months' quotation touched a high of \$808 before closing at \$805.75 a tonne, \$12 up on the previous close and a gain of \$20 in the past three days.

Fresh buying interest was generated by the U.S. Mint tender, which attracted bids ranging from 46.41 cents to 51.41 cents a lb—a higher level than expected, emphasising the shortage of special high grade zinc.

Traders now believe that it is

only a matter of time before producers raise their prices again in the U.S. and Europe.

The move by St. Joe Minerals to raise its U.S. domestic selling price for lead from 25 to 27 cents a lb was quickly followed by other leading producers giving an early boost to lead values on the London market.

However, after touching a high of \$299 the three months' lead quotation fell back to close at \$294.75 a tonne, only \$2.75 higher. Selling was triggered

off by the failure of the market to break through a \$300 and the decline in copper in the afternoon.

Copper opened on a firm note. The three months' quotation reached \$298, but the decline in gold and general disappointment at the lack of buying interest, pushed the market back to close at \$290.75 a tonne, \$8.5 down on the previous day.

Meanwhile, Sozcom, the state-owned Zaire metal marketing organisation, confirmed that it proposes to raise its copper price premiums unchanged in next year's supply contracts.

Australian moves to defend wool price

THE Australian Wool Corporation (AWC) was forced yesterday to buy large amounts of wool at the auctions in Brisbane, Fremantle and Geelong in an effort to maintain the floor price.

At the Brisbane auction, the main competition was from Japan and Western Europe, with moderate Eastern European support. The AWC took about 43.5 per cent of the 18,917 bales offered. In Fremantle, the AWC took about 40 per cent of the fleece on offer and about 30 per cent of the total offering of 16,806 bales. It bought about 26 per cent of the 14,844 bales offered at Geelong.

Danes lose lead in UK bacon market

DANISH BACON has been topped by its place as the leading brand in Britain because of a major drive by UK producers over the last year to improve quality.

British producers have increased their market share from 38 per cent to 44 per cent in the past year. The increased share is worth £28m. The total UK bacon market is now worth about £1,000m a year.

THE U.S. General Services Administration has bought natural mineral and concentrates worth \$7.78m for the defence stockpile from three companies which responded to an invitation for bids.

Speculator profile: Rich, cautious male

A REPORT out today shows that the typical American futures speculator is wealthy, well educated, middle aged and male. He is a conservative who likes to dabble in the metals but keeps most of his holdings in real estate.

This profile emerges from a study conducted by the Chicago Board of Trade of 2,539 speculators, 1980, according to the survey, the speculator is generally a male, 42 years of age, with a net worth of \$100,000.

Only 10 per cent of all speculators surveyed said futures was their single largest investment. More

needed to help manage their portfolios.

Unlike the popular image of the speculator, the typical futures investor is generally conservative, willing to take some risk for potentially large profits. Of those interviewed, 61 per cent said their incomes were more than \$50,000 a year and that they had invested more than \$100,000.

Only 10 per cent of all speculators surveyed said futures was their single largest investment. More

of futures traders. Engineering is the second most common occupation. According to the study, scientists are the least common speculators. California and Texas are the states with the most futures investors. Vermont, Wyoming and Hawaii have the fewest speculators.

The favourite contract markets were metals, which attracted 63 per cent of those contacted. But 59 per cent also played the grain and seed markets and about half also try their luck in financial futures.

The largest exchange, the Chicago Board of Trade, draws about three-quarters of all speculators. About 45 per cent trade on the Chicago Mercantile Exchange and about 40.8 per cent on Comex in New York.

Forests sale angers unions

By Barbara Dalsell

TRADE unionists are to lobby Parliament late next month in protest at a Government instruction to the Forestry Commission to sell off 88,000 acres of state-owned forests by 1986.

Mr Chris Kaufman, a national officer with the Transport and General Workers' Union, (TGWU), said the Government's plan would deprive public access to beauty spots, threaten hundreds of jobs and whole rural communities, and endanger future supplies of timber.

"The Tory policy is deadlier than Dutch elm disease," he said.

The Forestry Commission could lose prospective buyers to maintain the same use of any forests sold, but there are fears that new owners might clear the land and use it for industrial development.

Public access rights would also be threatened.

Unions taking part in the lobby are expected to include the TGWU, the General and Municipal Workers' Union, and the civil and public service unions.

PRICE CHANGES

In tonnes unless stated otherwise	Oct. 19 1983	+ or -	Month ago
Metals			
Aluminium	21000		21000
Free Mkt.	1800/180		1800/180
Copper	2856.75	-0.25	2857.00
Cash h grade	2856.75	-0.25	2857.00
5 months	2856.75	-0.25	2857.00
3 months	2856.75	-0.25	2857.00
Cash troy oz	1394.75	-0.25	1395.00
5 months	1394.75	-0.25	1395.00
3 months	1394.75	-0.25	1395.00
Gold troy oz	376.15	-0.25	376.40
5 months	376.15	-0.25	376.40
3 months	376.15	-0.25	376.40
Platinum oz	1144.50	-0.25	1144.75
5 months	1144.50	-0.25	1144.75
3 months	1144.50	-0.25	1144.75
Silver troy oz	161.50	-0.25	161.75
5 months	161.50	-0.25	161.75
3 months	161.50	-0.25	161.75
Tin cash	2856.75	-0.25	2857.00
5 months	2856.75	-0.25	2857.00
3 months	2856.75	-0.25	2857.00
Wool in 100 lb	173.25	-0.25	173.50
5 months	173.25	-0.25	173.50
3 months	173.25	-0.25	173.50
Producers	1880		1880

LONDON OIL SPOT PRICES

CRUDE OIL—FOB (per barrel)	Latest	Change
Arabian Light	39.50-39.75	-0.25
Iranian Light	39.50-39.75	-0.25
Arabian Heavy	39.50-39.75	-0.25
North Sea Brent	39.50-39.75	-0.25
African/Brent	39.50-39.75	-0.25

GOLD MARKETS

Gold lost \$23 an ounce from Tuesday's close in the London bullion market yesterday to finish at \$394.394. The metal opened at \$393.394 and traded between a low of \$392.394 and a high of \$395.394. The price was restricted by an absence of fresh factors to influence the market.

In Paris the 12 1/2 kilo bar was fixed at FF 101,100 per kilo (\$396.58 per ounce) in the afternoon compared with FF 101,000 (\$396.64) in the morning and FF 101,250 (\$398.90) on Tuesday afternoon.

In Frankfurt the 12 1/2 kilo bar was fixed at DM 32,980 (\$396.96) previously

GAS OIL FUTURES

Month	Year's close	+ or -	Business
Oct.	29.50	-0.25	Done
Nov.	29.50	-0.25	Done
Dec.	29.50	-0.25	Done
Jan.	29.50	-0.25	Done
Feb.	29.50	-0.25	Done
Mar.	29.50	-0.25	Done
Apr.	29.50	-0.25	Done
May	29.50	-0.25	Done
June	29.50	-0.25	Done

LONDON FUTURES

Month	Year's close	+ or -	Business
Oct.	29.50	-0.25	Done
Nov.	29.50	-0.25	Done
Dec.	29.50	-0.25	Done
Jan.	29.50	-0.25	Done
Feb.	29.50	-0.25	Done
Mar.	29.50	-0.25	Done
Apr.	29.50	-0.25	Done
May	29.50	-0.25	Done
June	29.50	-0.25	Done

EUROPEAN MARKETS

ROTTERDAM, October 19.

Wheat—(U.S. \$ per tonne): U.S. No. 1 Red Winter, Nov. 162.50, Dec. 157.50, Jan. 155.00, Feb. 152.50, Mar. 150.00, Apr. 147.50, May 145.00, Jun. 142.50, Jul. 140.00, Aug. 137.50, Sep. 135.00, Oct. 132.50, Nov. 130.00, Dec. 127.50, Jan. 125.00, Feb. 122.50, Mar. 120.00, Apr. 117.50, May 115.00, Jun. 112.50, Jul. 110.00, Aug. 107.50, Sep. 105.00, Oct. 102.50, Nov. 100.00, Dec. 97.50, Jan. 95.00, Feb. 92.50, Mar. 90.00, Apr. 87.50, May 85.00, Jun. 82.50, Jul. 80.00, Aug. 77.50, Sep. 75.00, Oct. 72.50, Nov. 70.00, Dec. 67.50, Jan. 65.00, Feb. 62.50, Mar. 60.00, Apr. 57.50, May 55.00, Jun. 52.50, Jul. 50.00, Aug. 47.50, Sep. 45.00, Oct. 42.50, Nov. 40.00, Dec. 37.50, Jan. 35.00, Feb. 32.50, Mar. 30.00, Apr. 27.50, May 25.00, Jun. 22.50, Jul. 20.00, Aug. 17.50, Sep. 15.00, Oct. 12.50, Nov. 10.00, Dec. 7.50, Jan. 5.00, Feb. 2.50, Mar. 0.00, Apr. -2.50, May -5.00, Jun. -7.50, Jul. -10.00, Aug. -12.50, Sep. -15.00, Oct. -17.50, Nov. -20.00, Dec. -22.50, Jan. -25.00, Feb. -27.50, Mar. -30.00, Apr. -32.50, May -35.00, Jun. -37.50, Jul. -40.00, Aug. -42.50, Sep. -45.00, Oct. -47.50, Nov. -50.00, Dec. -52.50, Jan. -55.00, Feb. -57.50, Mar. -60.00, Apr. -62.50, May -65.00, Jun. -67.50, Jul. -70.00, Aug. -72.50, Sep. -75.00, Oct. -77.50, Nov. -80.00, Dec. -82.50, Jan. -85.00, Feb. -87.50, Mar. -90.00, Apr. -92.50, May -95.00, Jun. -97.50, Jul. -100.00, Aug. -102.50, Sep. -105.00, Oct. -107.50, Nov. -110.00, Dec. -112.50, Jan. -115.00, Feb. -117.50, Mar. -120.00, Apr. -122.50, May -125.00, Jun. -127.50, Jul. -130.00, Aug. -132.50, Sep. -135.00, Oct. -137.50, Nov. -140.00, Dec. -142.50, Jan. -145.00, Feb. -147.50, Mar. -150.00, Apr. -152.50, May -155.00, Jun. -157.50, Jul. -160.00, Aug. -162.50, Sep. -165.00, Oct. -167.50, Nov. -170.00, Dec. -172.50, Jan. -175.00, Feb. -177.50, Mar. -180.00, Apr. -182.50, May -185.00, Jun. -187.50, Jul. -190.00, Aug. -192.50, Sep. -195.00, Oct. -197.50, Nov. -200.00, Dec. -202.50, Jan. -205.00, Feb. -207.50, Mar. -210.00, Apr. -212.50, May -215.00, Jun. -217.50, Jul. -220.00, Aug. -222.50, Sep. -225.00, Oct. -227.50, Nov. -230.00, Dec. -232.50, Jan. -235.00, Feb. -237.50, Mar. -240.00, Apr. -242.50, May -245.00, Jun. -247.50, Jul. -250.00, Aug. -252.50, Sep. -255.00, Oct. -257.50, Nov. -260.00, Dec. -262.50, Jan. -265.00, Feb. -267.50, Mar. -270.00, Apr. -272.50, May -275.00, Jun. -277.50, Jul. -280.00, Aug. -282.50, Sep. -285.00, Oct. -287.50, Nov. -290.00, Dec. -292.50, Jan. -295.00, Feb. -297.50, Mar. -300.00, Apr. -302.50, May -305.00, Jun. -307.50, Jul. -310.00, Aug. -312.50, Sep. -315.00, Oct. -317.50, Nov. -320.00, Dec. -322.50, Jan. -325.00, Feb. -327.50, Mar. -330.00, Apr. -332.50, May -335.00, Jun. -337.50, Jul. -340.00, Aug. -342.50, Sep. -345.00, Oct. -347.50, Nov. -350.00, Dec. -352.50, Jan. -355.00, Feb. -357.50, Mar. -360.00, Apr. -362.50, May -365.00, Jun. -367.50, Jul. -370.00, Aug. -372.50, Sep. -375.00, Oct. -377.50, Nov. -380.00, Dec. -382.50, Jan. -385.00, Feb. -387.50, Mar. -390.00, Apr. -392.50, May -395.00, Jun. -397.50, Jul. -400.00, Aug. -402.50, Sep. -405.00, Oct. -407.50, Nov. -410.00, Dec. -412.50, Jan. -415.00, Feb. -417.50, Mar. -420.00, Apr. -422.50, May -425.00, Jun. -427.50, Jul. -430.00, Aug. -432.50, Sep. -435.00, Oct. -437.50, Nov. -440.00, Dec. -442.50, Jan. -445.00, Feb. -447.50, Mar. -450.00, Apr. -452.50, May -455.00, Jun. -457.50, Jul. -460.00, Aug. -462.50, Sep. -465.00, Oct. -467.50, Nov. -470.00, Dec. -472.50, Jan. -475.00, Feb. -477.50, Mar. -480.00, Apr. -482.50, May -485.00, Jun. -487.50, Jul. -490.00, Aug. -492.50, Sep. -495.00, Oct. -497.50, Nov. -500.00, Dec. -502.50, Jan. -505.00, Feb. -507.50, Mar. -510.00, Apr. -512.50, May -515.00, Jun. -517.50, Jul. -520.00, Aug. -522.50, Sep. -525.00, Oct. -527.50, Nov. -530.00, Dec. -532.50, Jan. -535.00, Feb. -537.50, Mar. -540.00, Apr. -542.50, May -545.00, Jun. -547.50, Jul. -550.00, Aug. -552.50, Sep. -555.00, Oct. -557.50, Nov. -560.00, Dec. -562.50, Jan. -565.00, Feb. -567.50, Mar. -570.00, Apr. -572.50, May -575.00, Jun. -577.50, Jul. -580.00, Aug. -582.50, Sep. -585.00, Oct. -587.50, Nov. -590.00, Dec. -592.50, Jan. -595.00, Feb. -597.50, Mar. -600.00, Apr. -602.50, May -605.00, Jun. -607.50, Jul. -610.00, Aug. -612.50, Sep. -615.00, Oct. -617.50, Nov. -620.00, Dec. -622.50, Jan. -625.00, Feb. -627.50, Mar. -630.00, Apr. -632.50, May -635.00, Jun. -637.50, Jul. -640.00, Aug. -642.50, Sep. -645.00, Oct. -647.50, Nov. -650.00, Dec. -652.50, Jan. -655.00, Feb. -657.50, Mar. -660.00, Apr. -662.50, May -665.00, Jun. -667.50, Jul. -670.00, Aug. -672.50, Sep. -675.00, Oct. -677.50, Nov. -680.00, Dec. -682.50, Jan. -685.00, Feb. -687.50, Mar. -690.00, Apr. -692.50, May -695.00, Jun. -697.50, Jul. -700.00, Aug. -702.50, Sep. -705.00, Oct. -707.50, Nov. -710.00, Dec. -712.50, Jan. -715.00, Feb. -717.50, Mar. -720.00, Apr. -722.50, May -725.00, Jun. -727.50, Jul. -730.00, Aug. -732.50, Sep. -735.00, Oct. -737.50, Nov. -740.00, Dec. -742.50, Jan. -745.00, Feb. -747.50, Mar. -750.00, Apr. -752.50, May -755.00, Jun. -757.50, Jul. -760.00, Aug. -762.50, Sep. -765.00, Oct. -767.50, Nov. -770.00, Dec. -772.50, Jan. -775.00, Feb. -777.50, Mar. -780.00, Apr. -782.50, May -785.00, Jun. -787.50, Jul. -790.00, Aug. -792.50, Sep. -795.00, Oct. -797.50, Nov. -800.00, Dec. -802.50, Jan. -805.00, Feb. -807.50, Mar. -810.00, Apr. -812.50, May -815.00, Jun. -817.50, Jul. -820.00, Aug. -822.50, Sep. -825.00, Oct. -827.50, Nov. -830.00, Dec. -832.50, Jan. -835.00, Feb. -837.50, Mar. -840.00, Apr. -842.50, May -845.00, Jun. -847.50, Jul. -850.00, Aug. -852.50, Sep. -855.00, Oct. -857.50, Nov. -860.00, Dec. -862.50, Jan. -865.00, Feb. -867.50, Mar. -870.00, Apr. -872.50, May -875.00, Jun. -877.50, Jul. -880.00, Aug. -882.50, Sep. -885.00, Oct. -887.50, Nov. -890.00, Dec. -892.50, Jan. -895.00, Feb. -897.50, Mar. -900.00, Apr. -902.50, May -905.00, Jun. -907.50, Jul. -910.00, Aug. -912.50, Sep. -915.00, Oct. -917.50, Nov. -920.00, Dec. -922.50, Jan. -925.00, Feb. -927.50, Mar. -930.00, Apr. -932.50, May -935.00, Jun. -937.50, Jul. -940.00, Aug. -942.50, Sep. -945.00, Oct. -947.50, Nov. -950.00, Dec. -952.50, Jan. -955.00, Feb. -957.50, Mar. -960.00, Apr. -962.50, May -965.00, Jun. -967.50, Jul. -970.00, Aug. -972.50, Sep. -975.00, Oct. -977.50, Nov. -980.00, Dec. -982.50, Jan. -985.00, Feb. -987.50, Mar. -990.00, Apr. -992.50, May -995.00, Jun. -997.50, Jul. -1000.00, Aug. -1002.50, Sep. -1005.00, Oct. -1007.50, Nov. -1010.00, Dec. -1012.50, Jan. -1015.00, Feb. -1017.50, Mar. -1020.00, Apr. -1022.50, May -1025.00, Jun. -1027.50, Jul. -1030.00, Aug. -1032.50, Sep. -1035.00, Oct. -1037.50, Nov. -1040.00, Dec. -1042.50, Jan. -1045.00, Feb. -1047.50, Mar. -1050.00, Apr. -1052.50, May -1055.00, Jun. -1057.50, Jul. -1060.00, Aug. -1062.50, Sep. -1065.00, Oct. -1067.50, Nov. -1070.00, Dec. -1072.50, Jan. -1075.00, Feb. -1077.50, Mar. -1080.00, Apr. -1082.50, May -1085.00, Jun. -1087.50, Jul. -1090.00, Aug. -1092.50, Sep. -1095.00, Oct. -1097.50, Nov. -1100.00, Dec. -1102.50, Jan. -1105.00, Feb. -1107.50, Mar. -1110.00, Apr. -1112.50, May -1115.00, Jun. -1117.50, Jul. -1120.00, Aug. -1122.50, Sep. -1125.00, Oct. -1127.50, Nov. -1130.00, Dec. -1132.50, Jan. -1135.00, Feb. -1137.50, Mar. -1140.00, Apr. -1142.50, May -1145.00, Jun. -1147.50, Jul. -1150.00, Aug. -1152.50, Sep. -1155.00, Oct. -1157.50, Nov. -1160.00, Dec. -1162.50, Jan. -1165.00, Feb. -1167.50, Mar. -1170.00, Apr. -1172.50, May -1175.00, Jun. -1177.50, Jul. -1180.00, Aug. -1182.50, Sep. -1185.00, Oct. -1187.50, Nov. -1190.00, Dec. -1192.50, Jan. -1195.00, Feb. -1197.50, Mar. -1200.00, Apr. -1202.50, May -1205.00, Jun. -1207.50, Jul. -1210.00, Aug. -1212.50, Sep. -1215.00, Oct. -1217.50, Nov. -1220.00, Dec. -1222.50, Jan. -1225.00, Feb. -1227.50, Mar. -1230.00, Apr. -1232.50, May -1235.00, Jun. -1237.50, Jul. -1240.00, Aug. -1242.50, Sep. -1245.00, Oct. -1247.50, Nov. -1250.00, Dec. -1252.50, Jan. -1255.00, Feb. -1257.50, Mar. -1260.00, Apr. -1262.50, May -1265.00, Jun. -1267.50, Jul. -1270.00, Aug. -1272.50, Sep. -1275.00, Oct. -1277.50, Nov. -1280.00, Dec. -1282.50, Jan. -1285.00, Feb. -1287.50, Mar. -1290.00, Apr. -1292.50, May -1295.00, Jun. -1297.50, Jul. -1300.00, Aug. -1302.50, Sep. -1305.00, Oct. -1307.50, Nov. -1310.00, Dec. -1312.50, Jan. -1315.00, Feb. -1317.50, Mar. -1320.00, Apr. -1322.50, May -1325.00, Jun. -1327.50, Jul. -1330.00, Aug. -1332.50, Sep. -1335.00, Oct. -1337.50, Nov. -1340.00, Dec. -1342.50, Jan. -1345.00, Feb. -1347.50, Mar. -1350.00, Apr. -1352.50, May -1355.00, Jun. -1357.50, Jul. -1360.00, Aug. -1362.50, Sep. -1365.00, Oct. -1367.50, Nov. -1370.00, Dec. -1372.50, Jan. -1375.00, Feb. -1377.50, Mar. -1380.00, Apr. -1382.50, May -1385.00, Jun. -1387.50, Jul. -1390.00, Aug. -1392.50, Sep. -1395.00, Oct. -1397.50, Nov. -1400.00, Dec. -1402.50, Jan. -1405.00, Feb. -1407.50, Mar. -1410.00, Apr. -1412.50, May -1415.00, Jun. -1417.50, Jul. -1420.00, Aug. -1422.50, Sep. -1425.00, Oct. -1427.50, Nov. -1430.00, Dec. -1432.50, Jan. -1435.00, Feb. -1437.50, Mar. -1440.00, Apr. -1442.50, May -1445.00, Jun. -1447.50, Jul. -1450.00, Aug. -1452.50, Sep. -1455.00, Oct. -1457.50, Nov. -1460.00, Dec. -1462.50, Jan. -1465.00, Feb. -1467.50, Mar. -1470.00, Apr. -1472.50, May -1475.00, Jun. -1477.50, Jul. -1480.00, Aug. -148

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling little changed

The dollar surrendered its previous gains in New York, to finish only marginally firmer against most currencies in quiet foreign exchange trading. In the absence of other factors, the dollar has tended to track movements in the U.S. credit markets, reflecting confusion about the future direction of interest rates and nervousness about the U.S. Treasury's refunding package to be announced next week.

Sterling opened weak, and may have received some small support from the Bank of England at around the \$1.65 level. Despite speculation about another cut in London bank base rates, prompted by easier U.S. rates, the pound recovered to finish unchanged against the dollar, and slightly firmer against the Deutsche Mark.

DOLLAR — Trade-weighted index (Bank of England) 125.9, against 125.9 six months ago. The dollar has retreated from the peaks touched in August, amid hopes that a sustained fall in interest rates, following better money supply figures and a slight easing in interest rates, will allow U.S. Treasury to resume its policy of raising the dollar, but downward pressure on the currency will continue due to the

substantial trade deficit. The dollar rose to DM 2.5855 from DM 2.5845 against the Deutsche Mark; FF 7.9080 from FF 7.9030 against the French franc; and ¥232.20 from ¥232.25 in terms of the Japanese yen, but was unchanged at SwFr 2.0685 against the Swiss franc.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.6540. September average 1.6491. Trade-weighted index 83.3, compared with 83.2 at noon and in the morning, 83.3 at the previous close, and 83.8 six months ago.

Sterling improved to DM 3.8825 from DM 3.88; FF 11.86 from FF 11.8550; ¥349.50 from ¥349.50; and SwFr 3.1225 from SwFr 3.12. The pound finished unchanged against the dollar at

\$1.6500-1.5010, after opening at \$1.4980-1.4970, and trading within a range of \$1.4945 to \$1.5030.

DM-MARK — Trading range against the dollar in 1983 is 2.7515 to 3.3320. September average 2.9685. Trade-weighted index 121.5 against 122.9 six months ago. Until the recent easing of U.S. money supply the dollar has been at its lowest level for nearly ten years against the dollar, reflecting the large differential in interest rates. However, there now appears to be a gradual shift in emphasis towards economic fundamentals, with the German currency looking increasingly attractive on this basis.

The dollar rose to DM 2.5859

from DM 2.5847 at yesterday's closing in Frankfurt ahead of the U.S. Fed's latest refunding package. The pound was marginally easier at DM 3.8870 from DM 3.8790 while the Belgian franc slipped to DM 4.9 from DM 4.9040. The French franc was unchanged at DM 3.27 per FF 100.

BEELIAN L'ALANG — Trading range against the dollar in 1983 is 54.45 to 45.90. September average 53.3. Trade-weighted index 90.3 against 94.1 six months ago. The Belgian franc is experiencing renewed downward pressure within the EMS as the D-mark starts to appreciate.

The Belgian central bank spent a nominal BFR 600m in the week ending last Monday in defence of the Belgian franc. This was down from the previous week's figure of BFR 1.4bn. Although the Belgian franc remains weak within the EMS it is not currently suffering from much speculative pressure. At yesterday's closing in Brussels the dollar rose to BFR 32.87 from BFR 32.8625 and sterling was firmer at BFR 79.15 from BFR 79.13. Within the EMS the D-mark rose to BFR 20.4085 from DM 20.3950 and the French franc was higher at BFR 6.6770 compared with BFR 6.6660.

Gilts firmer

Gilt prices recovered from a weaker start to finish above Tuesday's levels in the London International Financial Futures Exchange yesterday. Prices were marked down initially on a weaker tone to the U.S. bond market on Tuesday and a softer trend in sterling. The latest FSBF figures also gave little scope for inspiration and although an above target figure had been largely anticipated, the market weakened since these latest figures tended to underline the sizeable margin of error in previous Treasury projections.

However, the market experienced a significant turnaround during the afternoon. Lower levels touched after the opening soon found support and with the pound showing signs of recovery later in the day, gilt values soon recovered early losses. Sentiment was probably also helped by a

firmer start in the U.S. bond market. The December gilt price opened at 105-12 down from 105-25 on Tuesday and rose to a finishing level of 106-09. Volume in this contract totalled an encouraging 3,581 lots.

Euro-dollar prices opened slightly firmer but then seemed to lose direction with little incentive gained from a virtually static cash market. The December price opened at 90.45 up from 90.42 and traded in a five point range before finishing at 90.44.

Short sterling deposit rates experienced an even quieter day, underlining current convictions that cash rates are unlikely to show any radical change for the rest of the year. The December price opened at 90.68 and traded in a two point spread before finishing at 90.70 compared with Tuesday's close of 90.69.

LONDON

	Close	High	Low	Prev
Dec 100	90.44	90.45	90.42	90.42
March 100	90.40	90.40	90.39	90.39
June 100	90.38	90.38	90.37	90.37
Sept 100	90.36	90.36	90.35	90.35
Dec 100	90.32	90.32	90.31	90.31
March 100	90.28	90.28	90.27	90.27
June 100	90.24	90.24	90.23	90.23
Sept 100	90.20	90.20	90.19	90.19
Dec 100	90.16	90.16	90.15	90.15
March 100	90.12	90.12	90.11	90.11
June 100	90.08	90.08	90.07	90.07
Sept 100	90.04	90.04	90.03	90.03
Dec 100	90.00	90.00	90.00	90.00
March 100	89.96	89.96	89.95	89.95
June 100	89.92	89.92	89.91	89.91
Sept 100	89.88	89.88	89.87	89.87
Dec 100	89.84	89.84	89.83	89.83
March 100	89.80	89.80	89.79	89.79
June 100	89.76	89.76	89.75	89.75
Sept 100	89.72	89.72	89.71	89.71
Dec 100	89.68	89.68	89.67	89.67
March 100	89.64	89.64	89.63	89.63
June 100	89.60	89.60	89.59	89.59
Sept 100	89.56	89.56	89.55	89.55
Dec 100	89.52	89.52	89.51	89.51
March 100	89.48	89.48	89.47	89.47
June 100	89.44	89.44	89.43	89.43
Sept 100	89.40	89.40	89.39	89.39
Dec 100	89.36	89.36	89.35	89.35
March 100	89.32	89.32	89.31	89.31
June 100	89.28	89.28	89.27	89.27
Sept 100	89.24	89.24	89.23	89.23
Dec 100	89.20	89.20	89.19	89.19
March 100	89.16	89.16	89.15	89.15
June 100	89.12	89.12	89.11	89.11
Sept 100	89.08	89.08	89.07	89.07
Dec 100	89.04	89.04	89.03	89.03
March 100	89.00	89.00	89.00	89.00
June 100	88.96	88.96	88.95	88.95
Sept 100	88.92	88.92	88.91	88.91
Dec 100	88.88	88.88	88.87	88.87
March 100	88.84	88.84	88.83	88.83
June 100	88.80	88.80	88.79	88.79
Sept 100	88.76	88.76	88.75	88.75
Dec 100	88.72	88.72	88.71	88.71
March 100	88.68	88.68	88.67	88.67
June 100	88.64	88.64	88.63	88.63
Sept 100	88.60	88.60	88.59	88.59
Dec 100	88.56	88.56	88.55	88.55
March 100	88.52	88.52	88.51	88.51
June 100	88.48	88.48	88.47	88.47
Sept 100	88.44	88.44	88.43	88.43
Dec 100	88.40	88.40	88.39	88.39
March 100	88.36	88.36	88.35	88.35
June 100	88.32	88.32	88.31	88.31
Sept 100	88.28	88.28	88.27	88.27
Dec 100	88.24	88.24	88.23	88.23
March 100	88.20	88.20	88.19	88.19
June 100	88.16	88.16	88.15	88.15
Sept 100	88.12	88.12	88.11	88.11
Dec 100	88.08	88.08	88.07	88.07
March 100	88.04	88.04	88.03	88.03
June 100	88.00	88.00	88.00	88.00
Sept 100	87.96	87.96	87.95	87.95
Dec 100	87.92	87.92	87.91	87.91
March 100	87.88	87.88	87.87	87.87
June 100	87.84	87.84	87.83	87.83
Sept 100	87.80	87.80	87.79	87.79
Dec 100	87.76	87.76	87.75	87.75
March 100	87.72	87.72	87.71	87.71
June 100	87.68	87.68	87.67	87.67
Sept 100	87.64	87.64	87.63	87.63
Dec 100	87.60	87.60	87.59	87.59
March 100	87.56	87.56	87.55	87.55
June 100	87.52	87.52	87.51	87.51
Sept 100	87.48	87.48	87.47	87.47
Dec 100	87.44	87.44	87.43	87.43
March 100	87.40	87.40	87.39	87.39
June 100	87.36	87.36	87.35	87.35
Sept 100	87.32	87.32	87.31	87.31
Dec 100	87.28	87.28	87.27	87.27
March 100	87.24	87.24	87.23	87.23
June 100	87.20	87.20	87.19	87.19
Sept 100	87.16	87.16	87.15	87.15
Dec 100	87.12	87.12	87.11	87.11
March 100	87.08	87.08	87.07	87.07
June 100	87.04	87.04	87.03	87.03
Sept 100	87.00	87.00	87.00	87.00
Dec 100	86.96	86.96	86.95	86.95
March 100	86.92	86.92	86.91	86.91
June 100	86.88	86.88	86.87	86.87
Sept 100	86.84	86.84	86.83	86.83
Dec 100	86.80	86.80	86.79	86.79
March 100	86.76	86.76	86.75	86.75
June 100	86.72	86.72	86.71	86.71
Sept 100	86.68	86.68	86.67	86.67
Dec 100	86.64	86.64	86.63	86.63
March 100	86.60	86.60	86.59	86.59
June 100	86.56	86.56	86.55	86.55
Sept 100	86.52	86.52	86.51	86.51
Dec 100	86.48	86.48	86.47	86.47
March 100	86.44	86.44	86.43	86.43
June 100	86.40	86.40	86.39	86.39
Sept 100	86.36	86.36	86.35	86.35
Dec 100	86.32	86.32	86.31	86.31
March 100	86.28	86.28	86.27	86.27
June 100	86.24	86.24	86.23	86.23
Sept 100	86.20	86.20	86.19	86.19
Dec 100	86.16	86.16	86.15	86.15
March 100	86.12	86.12	86.11	86.11
June 100	86.08	86.08	86.07	86.07
Sept 100	86.04	86.04	86.03	86.03
Dec 100	86.00	86.00	86.00	86.00
March 100	85.96	85.96	85.95	85.95
June 100	85.92	85.92	85.91	85.91
Sept 100	85.88	85.88	85.87	85.87
Dec 100	85.84	85.84	85.83	85.83
March 100	85.80	85.80	85.79	85.79
June 100	85.76	85.76	85.75	85.75
Sept 100	85.72	85.72	85.71	85.71
Dec 100	85.68	85.68	85.67	85.67
March 100	85.64	85.64	85.63	85.63
June 100	85.60	85.60	85.59	85.59
Sept 100	85.56	85.56	85.55	85.55
Dec 100	85.52	85.52	85.51	85.51
March 100	85.48	85.48	85.47	85.47
June 100	85.44	85.44	85.43	85.43
Sept 100	85.40	85.40	85.39	85.39
Dec 100	85.36	85.36	85.35	85.35
March 100	85.32	85.32	85.31	85.31
June 100	85.28	85.28	85.27	85.27
Sept 100	85.24	85.24	85.23	85.23
Dec 100	85.20	85.20	85.19	85.19
March 100	85.16	85.16	85.15	85.15
June 100	85.12	85.12	85.11	85.11
Sept 100	85.08	85.08	85.07	85.07
Dec 100	85.04	85.04	85.03	85.03
March 100	85.00	85.00	85.00	85.00
June 100	84.96	84.96	84.95	84.95
Sept 100	84.92	84.92	84.91	84.91
Dec 100	84.88	84.88	84.87	84.87
March 100	84.84	84.84	84.83	84.83
June 100	84.80	84.80	84.79	84.79
Sept 100	84.76	84.76	84.75	84.75
Dec 100	84.72	84.72	84.71	84.71
March 100	84.68	84.68	84.67	84.67
June 100	84.64	84.64	84.63	84.63
Sept 100	84.60	84.60	84.59	84.59
Dec 100	84.56	84.56	84.55	84.55
March 100	84.52	84.52	84.51	84.51
June 100	84.48	84.48	84.47	84.47
Sept 100	84.44	84.44	84.43	84.43
Dec 100	84.40	84.40	84.39	84.39
March 100	84.36	84.36	84.35	84.35
June 100	84.32	84.32	84.31	84.31
Sept 100	84.28	84.28	84.27	84.27
Dec 100	84.24	84.24	84.23	84.23
March 100	84.20	84.20	84.19	84.19
June 100	84.16	84.16	84.15	84.15
Sept 100	84.12	84.12	84.11	84.11
Dec 100	84.08	84.08	84.07	84.07
March 100	84.04	84.04	84.03	84.03
June 100	84.00	84.00	84.00	84.00
Sept 100	83.96	83		

CIGNA Corporation

has acquired

Crusader Insurance PLC

from

Marsh & McLennan Companies, Inc.

and

Fireman's Fund Insurance Companies

We acted as financial advisor to
CIGNA Corporation in this transaction.

Goldman, Sachs & Co.

New York Boston Chicago Dallas Detroit
Houston Los Angeles Memphis Miami
Philadelphia St. Louis San Francisco
London Hong Kong Tokyo Zurich

September 2, 1983

Goldman
Sachs

20th October, 1983

London Shop Property
Trust plc(Incorporated in England with limited liability under the
Companies Act 1980 to 1977)

Rights issue of £10,167,564

9 per cent. (second series)

Convertible Unsecured Loan Stock 1994/99
payable as to £30 per cent. by 10th November, 1983
and £70 per cent. by 7th March, 1984The Council of the Stock Exchange has admitted to the Official
List the above-mentioned Stock.Particulars of the Stock are available in the Extra Statistical
Service and copies of such particulars may be obtained during
usual business hours up to and including 10th November, 1983,
from the Company's brokers:-W. Greenwell & Co.,
Bow Belis House, Broad Street,
London, EC4M 9EL.

VONTOBEL EUROBONDINDICES

WEIGHTED AVERAGE YIELDS

PER 18 OCTOBER 1983

	Today	Index	Year's	Year's
			High	Low
US\$ Eurobonds	11.78	11.68	12.54	11.73
DM (Foreign Bond Issues)	7.38	7.40	7.79	7.23
HFL (Bearer Notes)	8.00	7.96	8.67	7.43
Can\$ Eurobonds	13.18	13.14	13.65	12.62

J. Vontobel & Co. Bankers, Zurich - Tel: 010 411 488 7111

October 20, 1983

Oesterreichische Kontrollbank Aktiengesellschaft

US\$100,000,000

Guaranteed Floating Rate Deposit Notes 1986

Guaranteed by the

Republic of Austria

Notice is hereby given pursuant to the Terms and Conditions of the Notes
that for the six months from October 21, 1983 to April 24, 1984 the Notes will
carry an interest rate of 9 1/4% per annum. On April 24, 1984 interest of
US\$24.218.75 will be due per US\$500,000 Note against Coupon No. 5.Agent Bank
ORION ROYAL BANK LIMITED

BASE LENDING RATES

A.B.N. Bank	9 1/4%	Hambros Bank	9 1/4%
Allied Irish Bank	9 1/4%	Heritable & Gen. Trust	9 1/4%
Amro Bank	9 1/4%	Hill Samuel	9 1/4%
Henry Ansbacher	9 1/4%	J. Hoare & Co.	9 1/4%
Arbutnot Latham	9 1/4%	Hongkong & Shanghai	9 1/4%
Avance Trust Ltd.	9 1/4%	Kingdom Trust Ltd.	10 1/4%
Associates Cap. Corp.	9 1/4%	Knowles & Co. Ltd.	9 1/4%
Banco de Bilbao	9 1/4%	Lloyds Bank	9 1/4%
Bank Hapoalim BM	9 1/4%	Mallinhal Limited	9 1/4%
BCCI	9 1/4%	Edward Mann & Co.	10 1/4%
Bank of Ireland	9 1/4%	Meharaj and Sons Ltd.	9 1/4%
Bank Leumi (UK) plc	9 1/4%	Midland Bank	9 1/4%
Bank of Cyprus	9 1/4%	Morgan Grenfell	9 1/4%
Bank of Scotland	9 1/4%	National Bk. of Kuwait	9 1/4%
Banque Belge Ltd.	9 1/4%	National Girobank	9 1/4%
Banque du Rhone	10 1/4%	National Westminster	9 1/4%
Barclays Bank	9 1/4%	Norwich Gen. Tst.	9 1/4%
Beneficial Trust Ltd.	10 1/4%	R. Raphael & Sons	9 1/4%
Bremar Holdings Ltd.	9 1/4%	P. S. Refson & Co.	9 1/4%
Brit. Bank of Mid. East	9 1/4%	Roxburgh Guarantees	9 1/4%
Brown Shipley	9 1/4%	Royal Trust Co. Canada	9 1/4%
CL Bank Nederland	9 1/4%	Standard Chartered	9 1/4%
Canada Term Trust	10 1/4%	Trade Dev. Bank	9 1/4%
Castle Court Trust Ltd.	9 1/4%	Trustee Savings Bank	9 1/4%
Cayzer Ltd.	9 1/4%	United Bank of Kuwait	9 1/4%
Cedar Holdings	10 1/4%	United Mizrahi Bank	9 1/4%
Charterhouse Japhet	9 1/4%	Volksbank Intl. Ltd.	9 1/4%
Choulatons	10 1/4%	Westpac Banking Corp.	9 1/4%
Citibank Savings	10 1/4%	Whiteaway Laidlaw	9 1/4%
Clydebank Bank	9 1/4%	Williams & Glyn's	9 1/4%
C. E. Coates	9 1/4%	Windsor Secs. Ltd.	9 1/4%
Comm. Bk. of N. East	9 1/4%	Yorkshire Bank	9 1/4%
Consolidated Credits	9 1/4%	Members of the Accepting Houses	
Co-operative Bank	9 1/4%	7-day deposits 5 1/4%, 1-month	
Dunbar & Co. Ltd.	9 1/4%	6 1/4%, Short-term £3,000/12	
Duncan Lawrie	9 1/4%	months, 8 1/4%	
E. T. Trust	9 1/4%	7-day deposits on sums of: under	
Exeter Trust Ltd.	10 1/4%	£10,000 5 1/4%, £10,000 up to £50,000	
First Nat. Fin. Corp.	11 1/4%	5 1/4%, £50,000 and over 7 1/4%.	
First Nat. Secs. Ltd.	10 1/4%	7-day deposits on sums of: under	
Robert Fraser	10 1/4%	£10,000 5 1/4%, £10,000 up to £50,000	
Grindlays Bank	9 1/4%	5 1/4%, £50,000 and over 7 1/4%.	
Guinness Mahon	9 1/4%	21-day deposits over £1,000 6 1/4%.	
		3-month deposits 8 1/4%.	
		6-month deposits 9 1/4%.	
		12-month deposits 10 1/4%.	
		Money Market Cheque Account—	
		8 1/4%, Effective annual rate—	
		9 1/4%.	

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.
on 17th October, 1983, U.S. \$82.72

Listed on the Amsterdam Stock Exchange

Information: Pierson, Hidding & Pierson N.V.,
Herengracht 214, 1017 BS Amsterdam.

NOTICE OF REDEMPTION

to Holders of

G.T.E. INTERNATIONAL INC

8 1/4% Guaranteed Bonds due 1986

NOTICE IS HEREBY GIVEN that pursuant to the terms and conditions of the above issue US\$325,000
(Nominal) are to be redeemed at par on 15th November 1983, the following bond serial numbers have been drawn
for redemption in the presence of a notary public at a price equal to 100% of the principal face amount.

BONDS OF \$5,000 EACH

107	1837	3340	4371	6360	7219	8739	9860	10492	10884	11485	12187	12535	13375	13704	14483	14878
124	1884	3439	4449	6384	7267	8759	9914	10509	10885	11503	12205	12552	13393	13722	14501	14896
134	1904	3469	4477	6414	7297	8789	9934	10529	10905	11523	12225	12572	13413	13742	14521	14916
144	1924	3499	4487	6439	7327	8819	9964	10559	10935	11553	12255	12602	13443	13772	14551	14946
154	1944	3529	4517	6464	7357	8849	9994	10589	10965	11583	12285	12632	13473	13802	14581	14976
164	1964	3559	4547	6489	7387	8879	10024	10619	10995	11613	12315	12662	13503	13832	14611	15006
174	1984	3589	4577	6514	7417	8909	10054	10649	11025	11643	12345	12692	13533	13862	14641	15036
184	2004	3619	4607	6539	7447	8939	10084	10679	11055	11673	12375	12722	13563	13892	14671	15066
194	2024	3649	4637	6564	7477	8969	10114	10709	11085	11703	12405	12752	13593	13922	14701	15096
204	2044	3679	4667	6589	7507	8999	10144	10739	11115	11733	12435	12782	13623	13952	14731	15126
214	2064	3709	4697	6614	7537	9029	10174	10769	11145	11763	12465	12812	13653	13982	14761	15156
224	2084	3739	4727	6639	7567	9059	10204	10799	11175	11793	12495	12842	13683	14012	14791	15186
234	2104	3769	4757	6664	7597	9089	10234	10829	11205	11823	12525	12872	13713	14042	14821	15216
244	2124	3799	4787	6689	7627	9119	10264	10859	11235	11853	12555	12902	13743	14072	14851	15246
254	2144	3829	4817	6714	7657	9149	10294	10889	11265	11883	12585	12932	13773	14102	14881	15276
264	2164	3859	4847	6739	7687	9179	10324	10919	11295	11913	12615	12962	13803	14132	14911	15306
274	2184	3889	4877	6764	7717	9209	10354	10949	11325	11943	12645	12992	13833	14162	14941	15336
284	2204	3919	4907	6789	7747	9239	10384	10979	11355	11973	12675	13022	13863	14192	14971	15366
294	2224	3949	4937	6814	7777	9269	10414	11009	11385	12003	12705	13052	13893	14222	15001	15396
304	2244	3979	4967	6839	7807	9299	10444	11039	11415	12033	12735	13082	13923	14252	15031	15426
314	2264	4009	4997	6864	7837	9329	10474	11069	11445	12063	12765	13112	13953	14282	15061	15456
324	2284	4039	5027	6889	7867	9359	10504	11099	11475	12093	12795	13142	13983	14312	15091	15486
334	2304	4069	5057	6914	7897	9389	10534	11129	11505	12123	12825	13172	14013	14342	15121	15516
344	2324	4099	5087	6939	7927	9419	10564	11159	11535	12153	12855	13202	14043	14372	15151	15546
354	2344	4129	5117	6964	7957	9449	10594	11189	11565	12183	12885	13232	14073	14402	15181	15576
364	2364	4159	5147	6989	7987	9479	10624	11219	11595	12213	12915	13262	14103	14432	15211	15606
374	2384	4189	5177	7014	8017	9509	10654	11249	11625	12243	12945	13292	14133	14462	15241	15636
384	2404	4219	5207	7039	8047	9539	10684	11279	11655	12273	12975	13322	14163	14492	15271	15666
394	2424	4249	5237	7064	8077	9569	10714	11309	11685	12303	13005	13352	14193	14522	15301	15696
404	2444	4279	5267	7089	8107	9599	10744	11339	11715	12333	13035	13382	14223	14552	15331	15726
414	2464	4309	5297	7114	8137	9629	10774	11369	11745	12363	13065	13412	14253	14582	15361	15756
424	2484	4339	5327	7139	8167	9659	10804	11399	11775	12393	13095	13442	14283	14612	15391	15786
434	2504	4369	5357	7164	8197	9689	10834	11429	11805	12423	13125	13472	14313	14642	15421	15816
444	2524	4399	5387	7189	8227	9719	10864	11459	11835	12453	13155	13502	14343	14672	15451	15846
454	2544	4429	5417	7214	8257	9749	10894	11489	11865	12483	13185	13532	14373	14702	15481	15876
464	2564	4459	5447	7239	8287	9779	10924	11519	11895	12513	13215	13562	14403	14732	15511	15906
474	2584	4489	5477	7264	8317	9809	10954	11549	11925	12543	13245	13592	14433	14762	15541	15936
484	2604	4519	5507	7289	8347	9839	10984	11579	11955	12573	13275	13622	14463	14792	15571	15966
494	2624	4549	5537	7314	8377	9869	11014	11609	11985	12603	13305	13652	14493	14822	15601	15996

Bonds not listed above are not affected by this redemption.

Bonds so designated for redemption will become due and payable on 15th November 1983 in the currency of
the United States of America at the office of the principal Paying Agent, Manufacturers Hanover Trust Co.,
Corporate Trust Office, New York, or at the holders option to the other Paying Agents named on the bonds.Payment of the redemption price of the bonds called will be made upon presentation and surrender of such
bonds with Coupons No. 13 and subsequent Coupons attached. Coupon No. 12 should be detached and encashed in
the usual manner.

Interest on the Bonds drawn will cease on and after 15th November 1983.

G.T.E. INTERNATIONAL INC
By Manufacturers Hanover Trust Company,
Paying Agents, New York.

INTERNATIONAL CAPITAL MARKETS

High margins for Trinidad borrowing

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

LOAN MARGINS have risen steeply for Trinidad and Tobago as it steps up its international borrowing to offset a balance of payments deficit and a drop in foreign exchange reserves.

A group of 10 banks, co-ordinated by Bank of Nova Scotia, has this week submitted an offer to the Caribbean republic to raise a \$120m, seven-year loan. The banks are asking for an interest margin over Eurodollars of 1 1/2 per cent for the first three years, rising to 1 3/4 per cent thereafter.

An alternative margin of 1 1/2 per cent is also sought for lenders contributing funds over the U.S. prime rate.

This compares with a margin of 1/2 to 3/4 per cent over Eurodollars obtained by Trinidad last year on an eight-year \$50m Eurocredit, its sole international capital market borrowing for the year.

With the new loan, its 1983 borrowings have risen to nearly \$200m. The country has already raised \$50m in the floating rate note market and a small \$20m credit earlier this year.

A \$250m infrastructure loan for the state telephone authority is also in the works, although it is unlikely to be marketed for several months. Bankers say Trinidad, which is easily the best-rated credit risk in the Caribbean, has begun to be affected by the general malaise created by the region's debt crisis. Its reserves have fallen to \$2.5bn from \$2.8bn at the end of last year.

PKbanken comes to market for \$75m

By Mary Ann Sieghart</

FINANCIAL TIMES SURVEY

Motor Industry

There are signs of moderate recovery in world vehicle markets, notably the U.S., but any optimism among Western manufacturers has to be tempered by awareness that Japanese competition is a lasting challenge

"THE JAPANESE challenge will continue to exist. We (in the West) will never be able to relax and say that's it, we have made it. The extremely low production costs of the Japanese will keep us under pressure."

So says Herr Ferdinand Belkier, who, as chairman of Opel, the General Motors subsidiary in West Germany, is well qualified to give the Western car makers' view of the Japanese threat.

The idea has gained ground that the pressure on the West has passed its peak because the Japanese are certainly finding it increasingly difficult to make progress when confronted by the protectionist measures of one sort or another which now exist in many of the world's major car markets.

Last year, Japan failed to outperform the rest of the world's vehicle-producing countries — the first time since the phenomenal growth of its motor industry began in the 1960s.

World production of motor vehicles in 1982 was about 36m, down around 3.6 per cent from the total in 1981, and the fourth consecutive year of decrease since the 1978 peak of 42.33m.

Japan's vehicle output dropped slightly more than average, by 4 per cent from 11.18m to 10.73m and its share of world production eased from 29.7 to 29.6 per cent.

As these figures partly indicate, the world's vehicle production is highly concentrated. The eight largest producers — General Motors, Toyota, Nissan, Ford, Volkswagen-Audi, Renault, the Peugeot-Citroen-Talbot group, and Fiat — based in five countries — together account for over 70 per cent of world output.

The only major change in the league table of major producers

last year was that Honda overtook Chrysler to capture tenth place in the "top ten" table (measured by vehicle sales). Thus the list now contains four Japanese companies, four Europeans and the two U.S.-based multinationals.

Japanese vehicle production so far this year has been slightly ahead of the 1982 total,

operated since 1980 and restricted them to 1.68m cars a year.

So Europe has been mainly responsible for the maintenance of Japanese vehicle exports.

Consequently, the Japanese share of the Western European market has crept back up above 10 per cent once again, having

much more confident. So much so that General Motors, which gave up making public forecasts about its domestic market a couple of years ago, has now come out of its shell again.

Chairman Roger Smith recently suggested that vehicle sales in the U.S. would total 13.5m in the 1984 model year (from September 1983) a 15

\$80bn. Yet, in spite of it all, GM says it cannot build small cars in the U.S. profitably at the moment because the Japanese are still setting the standard by landing them in the States at \$2,000 under American cost.

GM says it must turn to Japan for its small cars as an interim measure, and wants to import 200,000 a year from its 34 per cent-owned associate

Japanese the pacesetters

By Kenneth Gooding, Motor Industry Correspondent

and the manufacturers have been able to maintain exports at more or less the same levels.

In the first half of 1983, vehicle exports at 2.81m were only 0.6 per cent down on the corresponding period last year. But within the overall total there were considerable fluctuations within certain geographic markets.

Argentina, Brazil and Mexico are all suffering from low economic growth, high rates of inflation and the burden of huge foreign debts so South America — which once promised to offer major growth for the vehicle manufacturers — is now a disaster area.

Japanese exports to South America reflect this fact and were 25 per cent down in the first half of 1983. Exports to African and Middle East markets were also very subdued because many countries in those areas cannot put their hands on enough foreign currency to pay for vehicles.

As for Japan's major export market, the U.S., shipments to the States are heavily constrained by the quota which has

fallen to 9.5 per cent last year.

Yet, if Japanese vehicle output is to continue to show growth, Japan's manufacturers must find a way to improve their position in the big volume markets of the West without arousing too much of an outcry from the local producers.

In the short term much will depend on the outcome of the discussions about the U.S. quota system: whether it will be continued and, if so, what level of shipments to the States will be agreed upon.

Car output in the U.S. by the beginning of September had jumped by 24 per cent to 4.34m and the mood in Detroit was summed up by Ford's chairman, Philip Caldwell, when he declared: "The U.S. automobile industry has now lifted itself out of the longest and most damaging recession in its history. The industry is back in the black."

While there is no euphoria — the boom could evaporate overnight if interest rates rise again and burst the bubble of consumer confidence — the mood of the U.S. manufacturers is

per cent increase on the previous 12 months. He looked for sales of 10.2m cars and 3.3m trucks.

If sales do shift back to this level, the U.S. producers stand to make huge profits after the major cost-cutting programmes they have been through. Direct employment in the U.S. industry was, for example, reduced from more than 1m in 1978 to 685,000 last year.

As a result, the level of output at which the manufacturers break even is estimated to have been reduced from 5.6m units to 4.3m for GM, from 4.2m to 2.6m for Ford and from 2.4m to 1.1 for Chrysler.

Hand in hand with the cuts in the workforce has gone a massive investment programme. By 1985 the U.S. industry will have rebuilt, re-equipped or retooled 47 engine and transmission facilities and 89 assembly plants. When the conversion is complete, few machine tools, or parts, will remain unchanged in the industry's 255 domestic plants, and at the facilities of its 5,000 supplier companies.

The total cost by 1985 will be

And, if it can get U.S. Government approval for a joint venture with Toyota, another 200,000 to 300,000 part-Japanese, part-American cars a year will be produced.

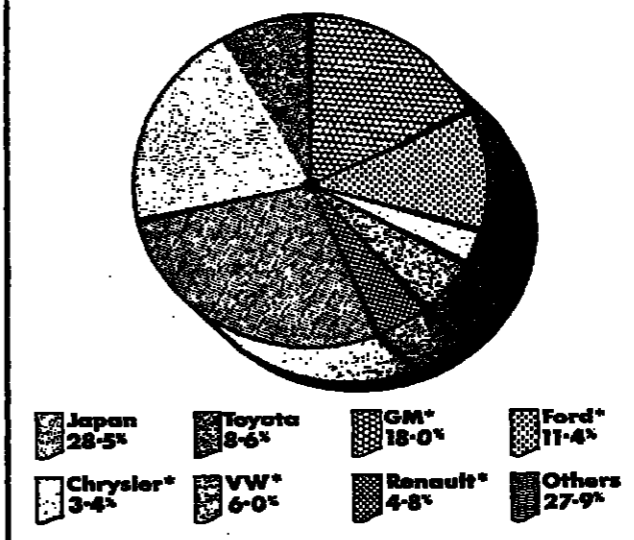
Ford is determined not to surrender small car production for the States entirely to the Japanese and reckons that, though its small cars are not profitable at the moment, neither does it lose money on them.

Ford has a 25 per cent-owned Japanese associate, Toyota Kogyo, which it is using as the supplier of cars for its Asia-Pacific dealer network. But in the long term Ford would prefer to develop its wholly owned Brazilian subsidiary to the point where it could give the Japanese producers a run for their money.

Ford and Chrysler are at loggerheads with GM because they are furious that the joint project with Toyota might be permitted and possibly force them to consider similar arrangements.

At the same time GM does not want the U.S. industry to push too hard for the quota on Japanese car shipments to be continued — if it is, who will give way to allow GM to bring in its "captive" Japanese imports from Suzuki and Isuzu?

MAJOR PRODUCERS' SHARE OF THE WORLD MARKET-1981



CONTENTS

The UK	II
W. Germany	II
Italy	II
France	III
Spain	III
The U.S.	IV
Japan	IV
Third World	V
New models	VI
Choice for the buyer	VI
International top ten	VI
Petrol v. diesel	VII
Robots	VII
Labour efficiency	VIII
Electronics	VIII

the plants has actually moved up. More metal must be moved out to the dealers than ever before if a factory is to make a profit.

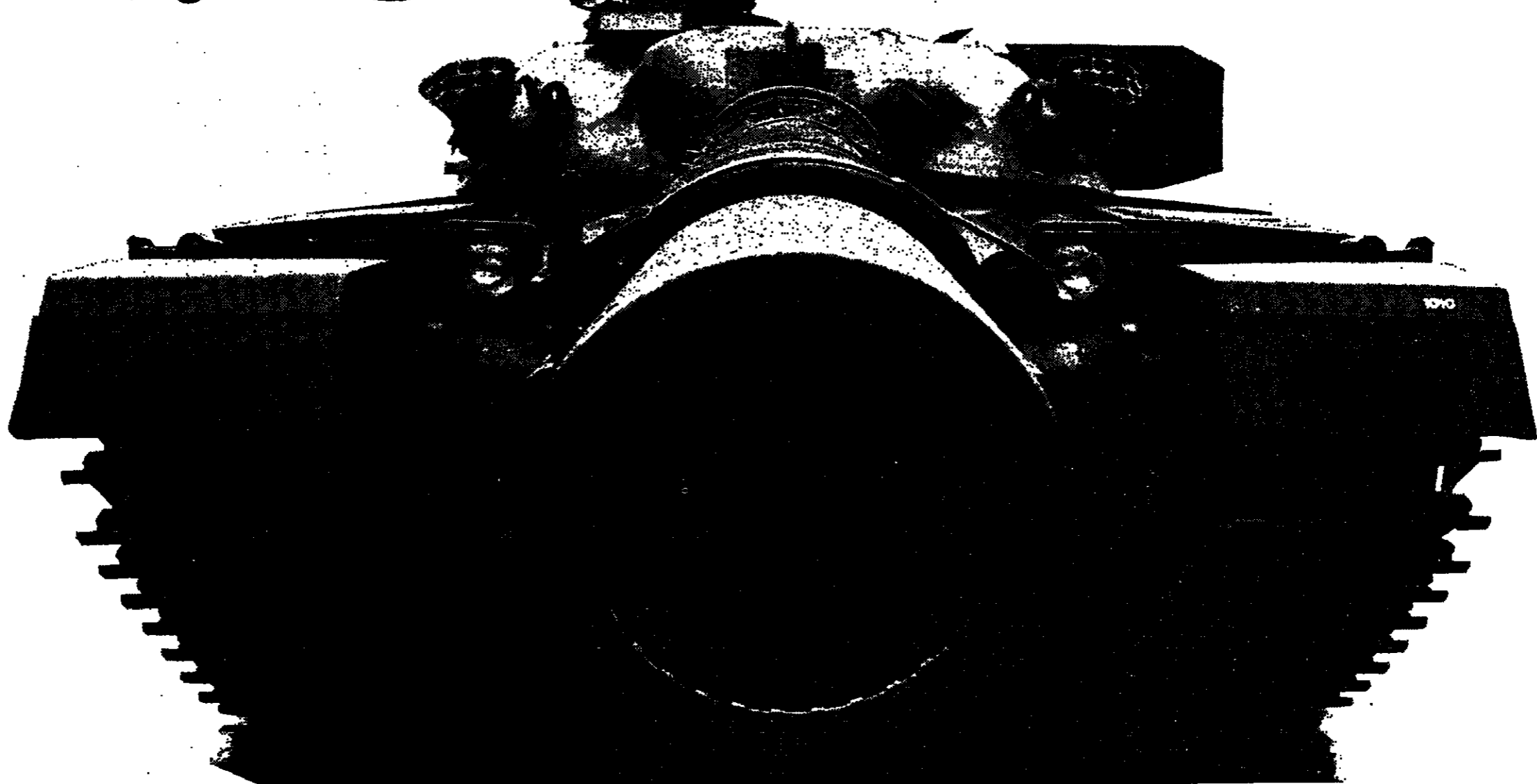
Vittorio Ghidella, Fiat Auto's chief executive, reckons this might well lead to a bloody price war across Europe followed by even more expensive financial incentives, such as extra bonuses for the dealers to give them more room to cut already-reduced list prices. All this has a familiar ring in Britain where such events have been happening already and producing that remarkable situation — manufacturers cutting prices deeper and deeper in spite of demand for new cars rising to record levels.

Now that demand is picking up in Germany, the European producers will be watching anxiously to see if recovery in the EEC's biggest market can bring back some price stability or whether the British experience will spread through Europe.

So far the omens are not particularly good. In the year to July, average car prices in Germany have risen only 3.9 per cent compared with 6.9 per cent in the previous 12 months in spite of the fact that this year, as one executive put it, "we are offering much more car per car."

The Europeans are now beginning to wonder how they will pay for the second part of their massive investment programme. As Ed Blanch, Ford of Europe chairman, says: "If the profit is not there, the industry will not be able to support its long-term investment programme. Then the profit problem will become a jobs problem."

A powerful argument for specifying Automotive Products.



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On a difficult route

France

THE NEXT months are likely to be both difficult and crucial for the French motor industry. The country's two large car makers, the state Renault group and the private Peugeot-Citroën-Talbot group, are for their different reasons undergoing a particularly delicate period at a time when their domestic market is slowing down in response to the French Government's tight economic austerity programme and continuing inroads by foreign car manufacturers.

For Renault, the main problem is that the large state car maker is in the middle of renewing its model range. It expects to complete this complex and expensive operation by 1985 when the company also hopes to return to profit. Renault lost FF1,285m last year and expects to make another loss this year largely because of the continuing heavy

deficits from its commercial vehicles subsidiary, Renault Vehicules Industriels. The state car maker has now successfully renewed the middle of its car range with the Renault 9 and the Renault 11. It is planning to launch a new range of the range model next year and is working on the renewal of the key lower end of the range to replace eventually the still popular but now increasingly ageing Renault 5.

Despite continuing debate and criticism from the French pro-Communist CGT union, Renault is pressing ahead with its "American" strategy. In the past year it has expanded its interest and presence in the U.S. by increasing its stake in Mack Trucks, pushing ahead with American Motors and investing more heavily in Mexico. Although the U.S. has continued to represent a financial drag on Renault, the state group claims it is beginning to see the light at the end of the tunnel. It is also betting that the U.S. market, which accounts for about a third of the world automobile market but only 4 per cent of Renault's annual sales of FF5,715m last year, will be the main platform for future growth.

While Renault is going through a difficult patch at present, the problems of the Peugeot group are far greater. Peugeot is now in the middle of a major controversy in France because of its decision to lay-off 10 per cent of the workforce of its French Peugeot and Talbot car divisions. The private car group has now made its formal application to lay off about 7,300 people which, if approved by the French labour authorities, would represent the largest single wave of lay-offs ever made by a French company.

For Peugeot the stakes are extremely high. The group has been struggling for the past four years to reorganise and restructure itself. Its grand designs to turn itself into a major volume car producer turned sour when the group was unable to absorb successfully the European operations of Chrysler, which it renamed Talbot.

But at the beginning of this year, Peugeot appeared to have

finally turned the corner and was forecasting a return to profit or at least break-even for 1983. The most difficult part of the restructuring appeared to be behind it. Among other things, this involved reducing the group's international workforce by 60,000 people over a three-year period. The company also launched a more aggressive marketing campaign and started coming out with a number of successful models like the Peugeot 205.

Apprehensive

By the end of the first half of the year, however, it became increasingly clear that the company would probably not be able to return in the black in 1983 after three years of losses totalling FF8.6m. Like Renault, Peugeot became apprehensive about the effect the Government's new austerity measures announced in the spring would have on demand in the second half of the year. While its Peugeot and Citroën divisions appeared to be improving, Talbot remained the group's Achilles Heel. Moreover, with debts of about FF30bn, Peugeot faced pressure from its creditor banks. Last but by no means least, the threat of nationalisation has always lurked in the background although the Socialists have repeatedly claimed they want to see Peugeot remain a private concern. As for M. Bernard

Hanon, Renault's chairman, he finds the idea of a merger between Peugeot and Renault into a single large French state group—a sort of "Automobiles de France"—as abominable.

Peugeot thus felt it had to act quickly. It argued that only by making some additional painful internal surgery could the company's economic viability be assured. Just before the long summer holidays it landed the bombshell and announced the widespread lay-offs. The reaction from the CGT labour confederation was inevitable, especially since the main target of the latest plan was Talbot's large plant at Poissy in the suburbs of Paris. This has traditionally been a problem plant and one with a large proportion of immigrant, mainly North African, labour. But while the union reaction was predictable, Peugeot appears to have calculated that with the Socialist Government's new more pragmatic, industrial policy it would have a chance of making the lay-offs after the initial furore died down. In this respect, Peugeot appears to have calculated correctly.

Industrial policy under the new Socialist industry minister, M. Laurent Fabius, has become far more "industrially" orientated than during the term of his controversial predecessor, M. Jean Pierre Chevènement.

Paul Betts

Other European car registrations

NETHERLANDS		12 mths 1982	12 mths 1981
Alfa Romeo	4,047	4,020	
American Motors	51	75	
BL	6,555	6,870	
BMW	14,266	11,521	
Chrysler	45	105	
Daihatsu	2,619	1,970	
Datsun	18,786	17,560	
Fiat Auto	22,257	16,550	
Ford	55	191	
General Motors	42,432	40,349	
Honda	65,599	55,882	
Hyundai	14,188	16,907	
Lada	2,272	1,969	
Mazda	8,244	6,655	
Mercedes-Benz	15,045	17,416	
Mitsubishi	8,069	8,842	
Peugeot SA	14,045	15,335	
Citroën	48,491	32,166	
Peugeot	23,074	22,062	
Talbot	16,002	16,596	
Renault	10,415	13,508	
Saab	180	182	
Skoda	32,451	31,932	
Subaru	3,368	3,324	
Suzuki	1,218	381	
Toyota	1,068	1,142	
VAG	7,417	3,627	
Volvo	17,838	18,479	
Zastava	37,124	38,709	
Others	17,043	15,842	
Total	406,774	390,990	

BELGIUM		12 mths 1982	12 mths 1981
Alfa Romeo	4,169	3,348	
BL	5,629	4,570	
BMW	11,372	10,460	
Chrysler	108	79	
Daihatsu	1,644	1,408	
Datsun	12,906	15,316	
Fiat Auto	19,762	21,521	
Ford	25,580	23,939	
General Motors	25,322	28,837	
Honda	11,435	14,933	
Hyundai	885	1,464	
Innocenti	124	480	
Lada	16,425	12,825	
Mazda	820	1,100	
Mercedes-Benz	13,525	15,482	
Mitsubishi	6,544	5,144	
Peugeot SA	7,246	6,250	
Citroën	23,968	28,067	
Peugeot	10,290	11,973	
Talbot	9,539	10,686	
Renault	4,139	5,408	
Saab	1,630	1,205	
Skoda	20,119	19,617	
Subaru	87	113	
Suzuki	1,227	1,624	
Toyota	200	417	
VAG	200	417	
Volvo	8,364	9,584	
Others	5,301	2,965	
Total	19,936	17,814	

SWEDEN		12 mths 1982	12 mths 1981
Alfa Romeo	557	477	
BL	17	35	
BMW	3,644	2,909	
Daihatsu	1,396	931	
Datsun	6,382	4,307	
Fiat Auto	4,094	3,294	
Ford	22,332	21,128	
General Motors	4,459	3,470	
Honda	2,994	3,092	
Lada	10,800	9,439	
Mazda	6,500	5,696	
Mercedes-Benz	1,504	1,881	
Mitsubishi	5,943	6,333	
Peugeot SA	2,300	2,317	
Citroën	2,398	2,394	
Peugeot	1,822	1,822	
Talbot	163	110	
Renault	2,480	2,341	
Saab	30,582	26,741	
Skoda	405	319	
Subaru	476	570	
Toyota	8,288	5,790	
VAG	26,270	24,069	
Volvo	57,522	49,766	
Others	19	19	
Total	218,428	188,522	

AUSTRIA		12 mths 1982	12 mths 1981
Alfa Romeo	2,594	2,147	
BL	631	954	
BMW	7,037	6,866	
Daihatsu	350	363	
Datsun	12,522	11,213	
Fiat Auto	11,919	12,134	
Ford	18,679	17,728	
General Motors	27,594	23,116	
Honda	3,020	1,823	
Lada	2,059	2,678	
Mazda	18,787	17,389	
Mercedes-Benz	4,896	5,369	
Mitsubishi	3,953	5,169	
Peugeot	1,638	1,446	
Talbot	7,044	6,836	
Renault	985	771	
Saab	6,751	5,865	
Skoda	3,636	2,879	
Subaru	—	—	
Suzuki	831	—	
Toyota	11,208	9,528	
VAG	6,880	5,539	
Volvo	19	22	
Others	6,076	6,019	
Total	188,017	184,961	

CAR REGISTRATIONS

	12 mths 1982	12 mths 1981
Alfa Romeo	31,761	24,922
BMW	22,663	24,996
Chrysler	33,467	24,921
Datsun	17,726	13,882
Ferrari	140	110
Fiat Auto	101,212	82,453
Ford	132,815	101,822
General Motors	51,823	24,029
Honda	9,143	6,649
Innocenti	838	3,090
Lada	24,185	21,628
Mazda	12,533	12,568
Mercedes-Benz	17,853	16,256
Mitsubishi	4,032	3,213
Peugeot SA	621,979	606,573
Citroën	248,975	260,286
Peugeot	111,510	90,000
Talbot	1,538	1,283
Porsche	1,843	1,639
Renault	804,968	713,195
Saab	3,445	3,392
Skoda	15,515	16,509
Toyota	124,410	122,212
VAG	10,897	9,789
Zastava	759	1,203
Others	57	—
Total	2,056,490	1,834,826

Export success has its limits

Spain

THE POSITION they usurped from the British—fourth place among European car producers behind the West Germans, the French and the Italians—is not one Spain's motor companies are finding particularly comfortable.

For one thing, they are finding that export success has its limits. For another, now that General Motors have arrived in force, the country's sixth largest car manufacturer, they face increasingly tough competition between themselves on a slowing domestic market.

Growth in the car industry has fallen short of earlier ambitions, reflected in investments in production capacity that last year was less than 60 per cent used. The one thing that has sped ahead is the growth in its diversity.

Three major changes have been taking place this year. At Zaragoza, where the Opel Corsa (alias Vauxhall Nova) started being produced last year, the new robotised General Motors plant has been building up towards its full annual capacity of 270,000 cars. At Pamplona, Seat, the Spanish state company, which from its origins was always linked to Fiat, has moved out its Panda production and refitted the plant to start making Volkswagen Polo/derby cars early next year—the main element in its production agreement with its new partner. And at Barcelona, the tractor and van company, Motor Iberica, now controlled by Nissan, has started making the Japanese company's four-wheel-drive Patrol (not classed as a passenger car, but partly aimed at that market).

10 per cent aim

General Motors, offering Spaniards "German engineering within your reach," hopes to take 10 per cent of the domestic market this year.

Just as Ford did with the Fiesta, GM is concentrating its initial effort on one car, the Corsa—the key player in the group's new European attack. The \$2bn venture, which includes engine and transmission production in Austria and Spanish components operations at Logrono and Cadiz, has made a big impact on overall figures for Spanish car output, sales and registrations. But by the same token it puts a somewhat false complexion on the state of the industry as a whole.

An 8 per cent recovery in Spanish car production last year, which came after a weak 1981 performance, was a quarter due to GM's start-up. This year's growth—24 per cent in the first seven months, com-

pared with the same 1982 period—is almost entirely the Corsa's doing. This is even more the case with exports, which have risen by almost a third. For the group of companies that were already exporting during this period last year, they have not improved at all.

Production has still to get back to 1977 levels—last year's remain below. In the interim, despite protectionist tariffs, imports have roughly tripled, taking up 12 per cent of the market in 1982.

Exports have so far taken up much of the slack in the domestic market rising by 14 per cent last year to 495,000, the biggest increase among the major European manufacturing countries and a 58 per cent improvement over five years. France reinforced its position as the main customer, with both the Peugeot group (through Citroën and Talbot) and the Renault group present in Spain, the latter's FASA offshoot having overtaken SEAT since 1980 as the country's biggest producer. The UK's imports were still outdistanced by those to Italy.

The worry among producers now is that they may be reaching an export ceiling.

The vulnerability of Spain's car industry is that it is now more than half dependent on exports and that the export network—with the exception of SEAT's recent initiative—this applies equally to the Volkswagen SEAT will be producing.

Next year, however, while continuing to produce under Fiat and Volkswagen licence, the group plans to unveil its own small saloon, codenamed the S-1, and it has plans for a later model, the S-3, both with engines made in collaboration with Porsche. Thirty years after the first car rolled off SEAT's production line in Barcelona, the first pedigree Spanish car is finally on its way.

David White

EUROPEAN CAR REGISTRATIONS

	12 mths 1982	12 mths 1981
Alfa Romeo	1,376	1,427
BL	1,692	1,742
BMW	5,140	4,877
Datsun	1,027	993
Ford	31,234	20,293
General Motors	17,174	4,185
Mazda	1,253	851
Mercedes-Benz	7,570	7,881
Peugeot SA	92,563	102,625
Citroën	33,089	31,763
Peugeot	17,110	19,211
Talbot	12,364	11,851
Renault	171,592	160,435
Seat	141,849	136,091
Subaru	2,288	2,199
VAG	4,227	4,443
Volvo	1,816	1,996
Others	1,255	5,881
Total	535,732	505,822



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THE MOTOR INDUSTRY IV

Obligated to slug it out in the world arena

The U.S.

IN AN attempt to explain the problems posed for the U.S. motor industry by Japanese importers, Mr. Phillip Caldwell, the chairman of Ford, suggested recently that they were just one more symptom of the way the world was catching up with America. The palmist post war era of effortless superiority was gone, he contended. U.S. motor cars now found themselves slugging it out in the market place on more or less equal terms with their competitors.

As Mr. Caldwell's views indicate, the U.S. industry has been going through a period of intense self-examination and criticism, from which it is emerging as a more sober and pragmatic animal. The inflationary era of the 1970s cushioned the domestic manufacturers against the worst effects of the oil crisis. While U.S. cars were redesigned and down sized to cope with higher fuel prices, costs continued to rise rapidly and plant efficiency declined by comparison with rival manufacturers in Japan.

Cash pressures

By 1978, blue collar employment in U.S. manufacturing plants had reached a peak of \$11,000 as a booming market stilled U.S. producers from the impact of an escalating import share. Wages in this period remained ahead of inflation, adding to the cash pressures which were later to squeeze the companies as they headed into the recession.

In response to the Japanese challenge the end of the 1970s saw the beginning of an enormous capital spending surge. Expenditure of the big three U.S. companies — General Motors, Ford and Chrysler — had been running at around \$4bn a year throughout the mid 1970s. From 1979 to 1982, the annual average was pushed to more than \$10.5bn a year. Old plants were torn apart, and the industry's former emphasis on styling and marketing changed as it attempted to upgrade the quality and efficiency of output.

This investment redirection, however, could scarcely have come at a more uncomfortable moment in financial terms. It coincided with the worst recession the industry had seen

since the war, and as sales plummeted the big companies had to dip deep into reserves to keep their investment effort going. Losses of the three large groups escalated in 1978—the nadir of the slump—to around \$4.2bn, and in the three years to the end of 1981 their aggregate deficit amounted to \$8bn.

The question now is whether this collapse has been effective in clearing up the industry sufficiently to establish a more secure base from which it can expand in future. The capital expenditure programme has clearly had its impact in producing a new range of models and better plants in which to make them. At the same time, sweeping redundancies and wage cuts have brought down overhead costs dramatically. In the current calendar year, for example, the U.S. industry might well make profits of \$5bn net while selling only 6.5m cars—making profits, in fact, at a far lower break-even point than was possible only three years ago.

Two examples show how attitudes have changed in the industry. The first, and most important, concerns Chrysler, which made an enormous breakthrough with its unions during its crisis in 1979-81, when they accepted pay cuts of \$2 a week in return for the government-backed loan guarantee scheme which saw the group out of its financial disarray.

Chrysler's agreement set a precedent which has spread steadily across the high wage and often hard pressed industrial sectors of the U.S. During the high inflation period of the 1970s, the workforces in these industries had kept well ahead of the rate in real terms, helped by a mixture of basic wage increases and cost of living adjustments. The slump saw the surrender of these real gains.

The second example is of a similar, but even more drastic, cut at Ford, which has recently said that it intends to trim yet another \$1bn off production costs over the next few years. At its Rouge steel plant, one of the four production units at its huge integrated Rouge complex near Dearborn, in Michigan, Ford has forced through wage cuts, after months of wrangling, by the threat of closure.

Here again, the company claims that overheads were out of line with the rest of industry—the Rouge steelworkers were earning about \$5 an hour more than other operators in the plant. But in return for the

deal, the company has agreed to put new investment into the factory.

In a wider sense, the Chrysler deal also influenced the last round of general wage negotiations for the industry as a whole, when the companies were able to abandon the basic annual increase which had underpinned auto workers' wages. This was replaced by profits sharing arrangements aimed at keeping costs in line with earnings.

As the market recovers, these tighter overhead controls are clearly having their impact in producing a new range of models and better plants in which to make them. At the same time, sweeping redundancies and wage cuts have brought down overhead costs dramatically. In the current calendar year, for example, the U.S. industry might well make profits of \$5bn net while selling only 6.5m cars—making profits, in fact, at a far lower break-even point than was possible only three years ago.

The U.S. producers believe they could have gained even more if they had had sufficient cars coming off the production lines. But the pace of the upturning caught them unprepared, and stocks have been

run down to levels which suggest there is a great deal of pent-up demand in the pipeline.

Some economists have cautioned against euphoria, arguing that when the dealers are short of inventory they have a chronic tendency to overestimate demand, but the companies are nevertheless pressing ahead with plans to push up production. In the calendar year so far, output has already increased by 26 per cent, and over the final quarter there are plans to step it up even more. Chrysler, indeed, has announced a programme of additional shifts and plant expansion which is designed to bring another 700,000 units of cars and trucks a year into production compared with the 1.4m at present.

The impact on profits has been dramatic, as the industry turned straight round from negative results in the final two quarters of 1982 to swing to aggregate net earnings of almost \$1bn in the first quarter of 1983, and \$1.6bn in the second quarter. Wall Street estimates that third quarter earnings could amount to around \$1.1bn, and is hoping

for a bumper final three months of \$1.5bn.

The improved market and the switch towards much tighter management of the industry have clearly put it back into a strong position in the U.S. market. But it is still having to look anxiously over its shoulder the whole time, whereas a decade ago it seemed to have a clear road and uninterrupted views all around it. And what it sees behind is the Japanese, still pressing hard despite the handicap of quota restrictions, and representing a constant challenge in the small car sector of the market which none of the U.S. companies has yet tackled with complete conviction.

Cheaper costs

This failure at the bottom end of the market underlines the structural inadequacy of the U.S. industry, despite all its changes, when faced with the most efficient manufacturing machine in the world. U.S. producers agree that some of the Japanese advantage comes from an undervalued yen, and there is widespread agreement that the dollar is overvalued.

Well placed to reap rewards

Japan

FEW INDUSTRIES are as basically well positioned to benefit from a sustained global economic recovery as the Japanese car industry. The fly in the ointment is whether the politicians who regulate international trade will allow the industry to exploit the opportunities that await it.

The last 12 months have presented the industry with a number of dichotomies. The domestic market has remained surprisingly buoyant and intensely competitive. Home car sales in 1982 reached a record 5.26m units and look like rising by a further two per cent at least this year. The number of models continues to proliferate, particularly in the smaller end of the range.

But exports, which account for a little over half of total production, have been constrained. They fell by 7.6 per

cent last year to 5.59m units, the first significant yearly drop in 25 years, and have limited room for expansion this year, given the continuation of either voluntary or mandatory restraints in several major markets.

Yet, over the past year, the Japanese industry has either put into effect or set in motion plans considerably to expand its overseas production facilities, either unilaterally or in collaboration with foreign manufacturers. The most eye-catching of these was the announcement earlier this year that the two global giants, Toyota and General Motors, would be co-operating in a new joint venture in California.

But actual production has already begun at Nissan's light truck factory in Tennessee and Honda's car plant in Marysville, Ohio. Nissan will presumably decide any day now whether or not to invest in Britain, where Honda-BL Acadia models are already being turned out, and work on a new car, code-named XX, is jointly under way. Toyota has won a major new car plant

contract in Taiwan.

There is even a fascinating new wrinkle to the international trade in cars affecting Japan with the emergence in the U.S. car industry, no less, of a strong lobby to increase rather than diminish the import of Japanese vehicles. The two governments are currently negotiating a fourth year of Japanese export restraints—now pegged at 1.68m cars a year—and the climate of these exchanges seems to have changed radically in the past few months.

Protest eruption

Earlier this summer, when Mr. Susuke Uno, the new Minister of International Trade and Industry, was quoted, not entirely accurately, in saying that Japan would oppose a fourth year of controls, there was a sizeable eruption of protest inside the U.S. Senator Don Riegle, from the car-producing heartland of Michi-

gan, even went so far as to describe Japanese attitude as tantamount to a second Pearl Harbour. But the vigour of the U.S. economic recovery and the changing needs of Detroit have prompted the major American car companies, General Motors, Ford and Chrysler, to plan on increasing imports from their Japanese affiliates, Suzuki and Isuzu, Toyota, and Mitsubishi Motors respectively. The current betting is that a fourth year ceiling could well be as high as 2m vehicles a year, an appreciation that would have been inconceivable a few months ago and one which reflects the potency of import demand.

The picture in Europe, where economic recovery has been much less strong, is more uncertain. The Japanese industry was unprepared, to put it mildly, by the internal French debate over whether or not the Honda-BL Acadia should be considered a European car or one

CAR INDUSTRY IN LEADING COUNTRIES

(In thousands of units)	1973	1978	1979	1980	1981	1982
Worldwide production	28,793	31,723	31,560	28,244	27,968	27,197
Federal Republic of Germany						
New car registrations	2,031	2,064	2,023	2,028	2,130	2,156
Imports	768	1,054	1,041	1,013	937	824
Exports	2,173	1,364	1,087	1,073	1,949	2,164
of which: to Europe	1,150	1,289	1,081	1,381	1,538	1,785
to U.S.	786	412	331	333	242	257
Production	2,650	3,390	3,932	3,521	3,576	3,761
France						
New car registrations	1,736	1,945	1,976	1,973	1,835	2,056
Imports	461	572	604	675	786	972
Exports	1,446	1,579	1,686	1,530	1,394	1,464
of which: to Europe	1,222	1,290	1,407	1,303	1,038	1,095
Production	2,667	3,111	3,226	2,838	2,612	2,777
Great Britain						
New car registrations	1,664	1,594	1,718	1,516	1,467	1,357
Imports	505	591	1,061	863	805	634
Exports	559	466	410	350	310	312
of which: to Europe	296	150	164	143	124	140
Production	1,747	1,257	1,162	959	855	888
Italy						
New car registrations	1,440	1,194	1,237	1,530	1,508	1,300
Imports	419	518	626	906	865	868
Exports	656	640	647	511	494	437
of which: to Europe	595	482	489	385	346	363
Production	1,623	1,569	1,481	1,445	1,257	1,267
Sweden						
New car registrations	226	201	215	193	189	218
Imports	145	132	162	142	133	154
Exports	245	207	238	189	209	233
of which: to Europe	153	110	121	88	101	102
Production	342	254	297	235	258	305
Spain						
Exports	158	374	387	492	433	495
Production	706	886	966	1,029	855	928
USSR						
Production	917	1,312	1,314	1,327	1,324	1,307
Japan						
New car registrations	2,919	2,357	3,537	2,554	2,857	3,036
Imports	37	55	65	46	32	33
Exports	1,451	2,819	3,102	3,947	3,947	3,778
of which: to Europe	357	648	808	1,063	946	896
to U.S.	601	1,444	1,588	1,687	1,814	1,741
Production	4,471	5,748	6,176	7,038	6,974	6,888
U.S.						
New car registrations	11,251	10,946	10,357	8,761	8,444	7,764
Imports	2,437	3,625	3,606	3,248	2,989	3,091
Exports	579	672	741	560	506	353
of which: to Europe	15	42	67	24	13	6
Production	9,667	9,177	8,434	6,376	6,223	5,073
Brazil						
New car registrations	805	798	836	794	448	557
Imports	3	79	78	116	157	151
Production	557	875	921	937	586	673

* Figures are partly estimated. † From 1975 on, actual figures excluding major components. ‡ Including exports to Canada. Source: Daimler-Benz.

CONTINUED ON NEXT PAGE

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DELCO PRODUCTS
TECHNOLOGY WORLDWIDE

THE MOTOR INDUSTRY V

Home producer plants the common aim

Third World

TAIWAN'S GOVERNMENT has set itself the target of increasing exports of motor components from the current annual level of about \$200m to \$1bn by 1990, thus putting the country among the world's major component suppliers.

To this end, Toyota of Japan has been invited to set up a 300,000-a-year car plant in Taiwan to encourage the development of the component industry.

Currently, six companies in Taiwan produce a variety of cars and trucks, and compete

with each other for domestic demand of not more than 200,000 vehicles a year. Their scale of production is simply not economically viable, so the Taiwan authorities want Toyota to produce one model on a mass scale to help lower production costs.

There are over 300 motor component manufacturing plants in Taiwan but only about 100 have capital of more than \$50,000.

Toyota's know-how in production, management and cost control is expected to help upgrade the components sector and the Government will chip in with tax incentives and long term credit and loans at "rather low interest rates."

The Government has listed some major components as "eligible for encouragement for development with priority," including crankshafts, carburetors, spark plugs, drive shafts, steering systems, and stamped parts. Other components already being made in Taiwan, such as pistons, connecting rods, electrical parts, shock absorbers and head lights, will receive "encouragement to improve production by automated processes so as to maintain quality and to lower the production cost."

Taiwan is typical of those developing countries which aim to build up their own automotive industries. Kuo-An Hsu, director general of the industrial development bureau of Taiwan's Ministry of Economic Affairs, eloquently explained the reasons his country is so intent on becoming a major component supplier when addressing the Financial Times motor components conference in Geneva, earlier this year.

Development of the automotive industry and the generation of greater demand on the components industry in turn, will set in motion the upgrading both quantitatively and qualitatively of all relevant industries such as machinery, electronics, rubber and rubber products, plastics, steel and iron, petrochemicals, glass, paints and coating materials and even textiles," he suggested.

Kuo-An Hsu covered more controversial territory when he went on to suggest that in the highly industrialised countries like the U.S. Japan and many Western European nations the automotive industry had reached a stage of maturity. "These countries are now turning to the development of space industries. It is believed that automotive industry will gradually be transferred to some of the newly industrialised countries for development in the future."

However, not all the newly industrialised countries provide suitable conditions for the development of the automotive industry. Kuo-An Hsu suggested that in the Asia region, Singapore and South Korea, as well as the Republic of China (Taiwan), were the most suitable.

The Taiwan Government estimates that car sales there will grow from 155,500 this year to about 352,000 in 1991.

However, it is by no means certain that Toyota, although invited in by the Government, will have the field to itself by the latter part of the 1980s.

For example, Renault recently completed a deal with San Fu Motors, its associate in Taiwan, for the production of up to 12,000 Renault R9s a year.

Whereas some Western vehicle manufacturers have given up attempting to fight the Japanese in the Far East, Renault designed the R9 for production throughout the world at near enough Japanese costs to give the mid-sized car a charge—even on Japan's doorstep.

Unlike Renault the U.S. multi-nationals, Ford and General Motors, are more and more relying on their Japanese associates to supply their dealers in the Asia-Pacific area.

But Ford believes Brazil has the potential to match Japan eventually as a low-cost source of high-quality cars.

Brazil has a large domestic car market and a reasonably well-entrenched industrial infrastructure. Wage rates in the Sao Paulo, the major vehicle producing region, are about \$2 an hour.

Ford admits there is much to be done to improve the quality of the components produced in Brazil, a difficulty which has arisen because the market is so carefully protected from imports. But there has been some progress made by the Americans who have been trying to persuade the Brazilian component sector that it must become more efficient if Brazil is to count among a major vehicle producers in the world.

Brazil's economy has been in recession since 1980 as a result of Government measures to combat inflation, to overcome the balance of payments deficit and to grapple with the huge foreign debt burden.

Vehicle output in Brazil peaked at 1.16m in 1980 before plunging to 778,835 the following year. In 1982 a slight economic recovery helped car sales up from a very low level and total vehicle production last year ended at 960,800.

The steep fall in demand caused losses among all the local producers. But Carl Hahn, chief executive of the Volkswagen-Audi group, sums up the general feeling among the companies with interests there when he says: "For many years we have had very good results in Brazil: we wouldn't think about quitting because of two bad years."

In response to the current depressed situation in Brazil, VW has boosted export efforts and in the first seven months of this year exported 60 per cent more cars and light commercials from Brazil—25,000 compared with 16,000.

The Volkswagen interests in Brazil—"the key to South America," according to Herr Hahn—are being integrated with those in Argentina and Mexico so as to give better economies of scale.

On the face of it Argentina, with a large population and self-sufficiency in most raw materials including oil and food, should be an ideal automotive production country. But high foreign indebtedness and an extremely high rate of inflation (particularly after the Falklands conflict) have brought with them similar problems to those faced by Brazil.

Japan well placed

CONTINUED FROM PREVIOUS PAGE

with substantial Japanese content, and thus potentially subject to controls. This has undoubtedly been a factor in Nissan's internal agonising over its putative British investment.

The existence of a thriving external market matters enormously to Japanese car companies for it is where their fabulously efficient methods of production can pay real dividends. The domestic market may not have reached saturation point but there is a suspicion that the returns on new investments at home are now much less attractive.

In the current fiscal year, for example, all the leading Japanese car companies except Honda are planning to spend less on capital investment than they did in the 1982 fiscal year. The industry-wide projected decline is about 8 per cent. Toyota, for example, is budgeting Y200bn for this year against Y210bn in 1982 (itself a reduction from the originally

planned Y230bn) and Y260bn in 1982. The spending patterns at Nissan, Toyota and Mitsubishi are all similar.

Investment is being directed much more at improving existing facilities and on technological developments, especially in raising productive capacity. Nowhere is this more evident than in catering to the burgeoning domestic demand for mini cars (less than 1,000 cc), itself reflecting the growth of the Japanese woman not only as a driver but as a factor in determining which car the family buys, and in the installation of turbo-charged engines in the smaller-to-medium sized family cars.

Overall, Toyota—the General Motors of Japan—remains the dominant force with just over 40 per cent of domestic sales and inching steadily upwards. Nissan, often linked to Ford of the U.S. because of its early internationalisation, has seen its market share drop to around 23 per cent. Competition for

third place in the domestic league table between Honda, Toyota (Mazda) and Mitsubishi remains close.

Of the big two, however, Toyota remains fabulously profitable. In its fiscal year ending last June, the first report to reflect the marriage between Toyota Motor Sales and Toyota Motors, that company turned in a net profit of Y228bn (or, as was widely noted in Japan, the equivalent of just about \$1bn).

Nissan, on the other hand, expects to earn about Y120bn in its current fiscal year, down from Y154bn (before special items) in 1982. Thus, in both sales and performance, the gap between the two old rivals seems to be widening a little. Their rivalry will get even sharper when Toyota returns to the sports car field, for the past 15 years very much Nissan's preserve, as it is threatening to shortly.

Jurek Martin

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Argentina's car output reached 218,600 in 1980 but dropped to 139,500 the following year and was down to 107,000 last year.

Mexico has been suffering from the same economic ills that beset Argentina and Brazil but went into its recession a little later. Vehicle output therefore reached a record 597,000 in 1982 before falling to 473,000 last year.

But Mexico's real importance as an automotive producer lies in its determination to become a major supplier of engines. The target is an output of 3.5m engines a year by 1985 with the majority—over 2m—destined for export to North America, Europe and even Japan.

Nissan's \$120m engine plant at Aguascalientes, 500 kilometres from Mexico City, came on stream this summer and will supply engines to Japan, stamped components to Nissan's truck plant in the U.S. as well as engines for the Mexican version of the Sunny car due for launch in that country next year.

Ford's engine facility at

Chihuahua has also recently come on stream, is capable of producing up to 400,000 units a year of which nine out of ten will be exported to Ford plants in the U.S. and Canada.

And Mexico is making efforts to reorganise its motor industry to achieve greater economies of scale. It has ordered the six car makers to restrict themselves to one car model line each by 1987.

Two vehicle companies—General Motors and Renault—seven determined to become involved in any automotive programme developed by any country in the world.

For the past five years GM has made a bid for any business going. Recent examples include a formal agreement to assemble buses and trucks in Egypt and in Turkey—both joint ventures with Isuzu, GM's 34.2 per cent-owned Japanese associate.

Such arrangements can give low-cost footholds in developing markets. But, as one GM executive suggests: "If you had told anyone in Detroit headquarters ten years ago that GM one day would have a joint venture with, for example, the Kenyan Government, they would have said you were out of your mind."

Renault and GM find themselves up against one another at the moment, bidding for one of the third world's largest vehicle assembly projects, worth \$2.5bn in Algeria.

The plan calls for a factory at Tiaret, 150 miles from Algiers, eventually to produce 200,000 cars and pick-ups a year.

Other companies short-listed by the Algerian Government include Peugeot, Fiat, Volkswagen and Nissan.

Renault is even closer to winning the right to set up a car plant in Egypt to supplement the output from the State-owned NASR company which makes up to 22,000 Fiat Ritmos and American Motors' Jeeps a year.

Renault is in competition with Peugeot to set up a facility

by 1985 which within three years of start-up should be turning out 25,000 cars a year.

Recently, the Egyptian Government asked the French groups to re-think the terms so as to give local interests a bigger share in the project than the 70 per cent first suggested.

There has been some re-thinking in the Philippines, too, and the Government has changed its mind about forcing three of the five car manufacturers there out of business.

Instead there will be a three-year period of competition, and the two companies with the highest net foreign earnings after that time will have the right to carry on—the others will have to close. Involved in this "survival of the fittest battle" as partners of local companies are GM, Ford, Toyota, Mitsubishi and Isuzu.

Meanwhile, Malaysia has chosen a Japanese group, Mitsubishi, for its car project which has the target of producing 20,000 in 1985 rising to 120,000 by 1990. A joint venture company, Proton (Perusahaan Otomobil Nasional) has been set up with the State-owned Heavy Industries Corporation of Malaysia (HICOM) owning 70 per cent. The new company will spend \$245m on a plant at Kuala Lumpur. Initial local content of the cars will be only 38 per cent.

The developing countries seem to have learned the lesson that having one major vehicle producer, not several, makes more sense in markets where domestic demand is relatively modest.

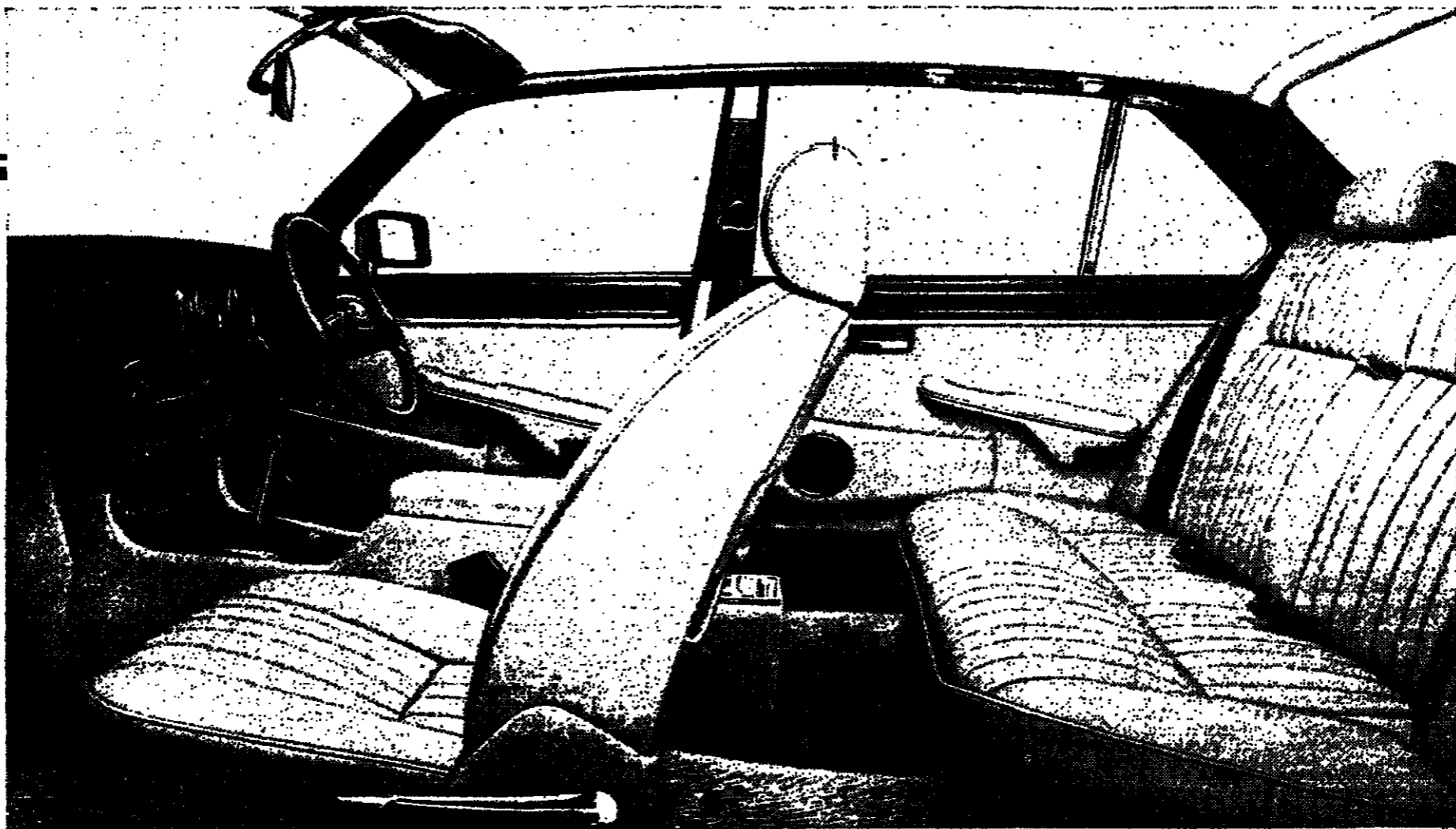
South Korea, one of the first Asian countries to make a serious attempt to set up a motor industry, has attempted to rationalise by forcing the four local producers into one group led by the largest, Hyundai.

In fact, two of the three foreign operators withdrew—Fiat and Peugeot. The third, Saehan, 50 per cent owned by GM, is now Hyundai's sole competitor.

Kenneth Gooding

Year	Australia	Brazil	Canada	France	Italy	Japan	Mexico	Spain	Sweden	UK	U.S.	USSR	W. Ger.	Others	World total
1972	469,917	608,965	1,439,064	3,328,320	1,639,793	6,294,438	229,766	895,217	305,999	2,329,430	11,310,708	1,379,000	3,815,882	1,727,280	35,796,305
1973	454,190	729,135	1,574,820	3,596,179	1,957,994	7,082,757	235,513	822,020	378,043	2,163,941	12,681,513	1,602,000	3,949,065	1,881,716	39,159,751
1974	489,339	858,470	1,524,874	3,462,847	1,772,515	6,551,840	350,755	837,414	368,359	1,935,685	10,072,662	1,846,000	3,099,777	1,831,547	35,053,084
1975	456,167	929,805	1,424,006	2,861,305	1,458,829	6,941,591	360,878	814,164	366,753	1,648,289	8,895,695	1,964,000	3,186,208	1,886,930	33,285,240
1976	456,216	965,469	1,440,112	2,492,715	1,590,677	7,841,447	324,879	866,240	367,780	1,703,506	11,497,331	2,025,000	3,868,089	1,963,002	38,534,623
1977	450,582	919,242	1,775,445	2,597,891	1,583,917	8,514,522	280,513	1,129,760	286,901	1,714,240	12,702,782	2,080,000	4,104,216	2,067,760	41,130,011
1978	384,568	1,062,197	1,817,457	3,507,930	1,651,115	9,269,153	384,127	1,143,831	306,594	1,607,467	12,889,202	2,160,000	4,186,264	2,111,579	42,485,922
1979	461,468	1,127,966	1,631,661	3,618,468	1,632,158	9,635,546	444,426	1,132,918	354,820	1,478,512	11,479,993	2,173,000	4,249,725	2,109,816	41,515,467
1980	384,109	1,165,207	1,374,329	3,378,433	1,611,856	11,042,834	490,006	1,181,659	298,400	1,312,914	8,009,841	2,197,000	3,878,415	2,055,495	39,368,545
1981	391,614	779,835	1,280,499	3,019,370	1,433,686	11,179,962	597,118	967,474	313,755	1,184,205	7,940,871	2,197,000	3,897,007	2,695,872	37,868,568
1982	408,550	860,593	1,235,668	3,146,907	1,463,943	10,737,094	472,637	1,069,907	349,150	1,156,477	6,985,313	2,310,000	4,062,065	2,587,688	36,738,129

Source: Automobile News Data Book

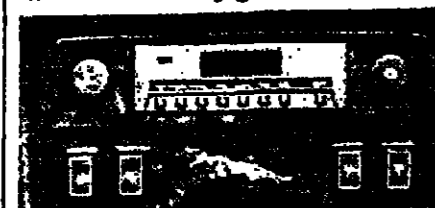


Jaguar's legendary reputation for effortless performance, supreme ride comfort and remarkable — some would say uncanny — silence is admirably reflected in the 1984 model Jaguar Series III Saloons.

Today's XJ6 3.4, XJ6 4.2 and the Jaguar Sovereign 4.2 and Sovereign H.E. models offer a level of performance and value without equal.

The looks are as sleek as ever; the famous 6 cylinder XK engines just as powerful. No other car makes driving so relaxed and easy, so satisfying and enjoyable. No other driving experience can prepare you for actually sitting behind the wheel of a Jaguar.

Take a closer look at the sumptuous interior of the new Jaguar Sovereign 4.2



and you'll see a study in refinement — the like of which has only ever before been found with the Daimler marque.

The standard equipment reads like a list of expensive extras.

Finest quality leather hides, carefully matched for colour and grain are much in evidence.

Beautifully complemented by the superb burr walnut veneer trim to the fascia, door cappings and centre switch panel, and by colour co-ordinated, deep-pile carpeting. A subtle and elegant combination.

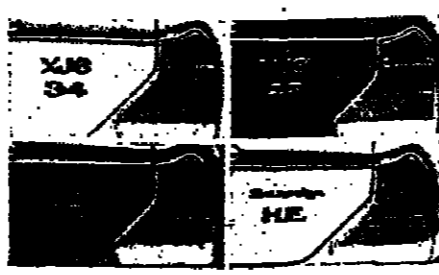
The centre console has been ergonomically designed and fitted with a digital trip computer to provide a continuous visual check on average speed, fuel consumption and time.

The steering column is adjustable for comfort. The front seats are fully reclining and have adjustable lumbar support and electric height adjustment. The rear seats

have head restraints, reading lamps and inertia-reel seat belts.

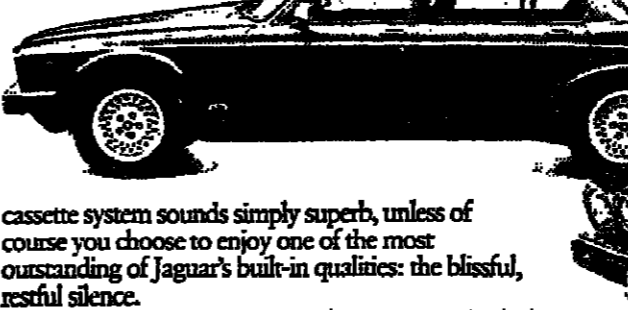
A fully integrated automatic air-conditioning system is standard.

Timed windows, remote-control door mirrors, radio antenna and central door locking are all electronically-operated for



safety and convenience.

The 4-speaker stereo/

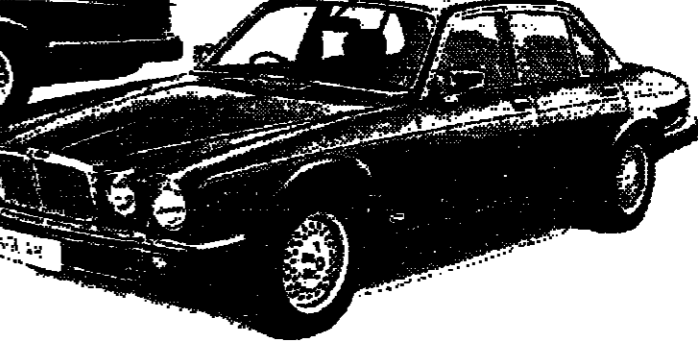


cassette system sounds simply superb, unless of course you choose to enjoy one of the most outstanding of Jaguar's built-in qualities: the blissful, restful silence.

A range of appointments lavish by any standards: but offered as standard on the Jaguar Sovereign 4.2.

The kind of added refinement that makes a Jaguar a Jaguar.

Jaguar 3.4 £13,990.00, Jaguar 4.2 £15,990.00, Jaguar Sovereign 4.2 £18,490.00, Jaguar Sovereign H.E. £20,955.00. Prices based upon manufacturer's RRP and correct at time of going to press, include seat belts, car tax and VAT. (Delivery, road tax and number plates extra.) For full details please contact your Jaguar specialist for a test drive. Cars illustrated are Jaguar Sovereigns.



JAGUAR The legend grows
THE 1984 SALOON RANGE: XJ6 3.4, XJ6 4.2, JAGUAR SOVEREIGN 4.2 & SOVEREIGN H.E.

THE MOTOR INDUSTRY VI

Fleets of new models flying flags of hope

THIS YEAR, the results of European manufacturers' huge investments in new models are coming through thick and fast. There can have been few years in the industry's history when so many new cars have been shown: most recently at the international Frankfurt show, and now at London's Motorfair.

Success for many of the models is essential if their manufacturers are to survive.

They include: Alfa Romeo: earlier this year Italy's number two car maker launched the Alfa 33, a new competitor in the medium sector, larger than the Alfaud hatchback and destined eventually to replace it. Alfa has also sought to help end its years of losses through a joint venture with Nissan, the Cherry project, in which Nissan Cherry body panels are mated to Alfa Sud mechanicals. Some 60,000 a year of the Arna model are being built.

Austin Rover: the launch in March of Austin Rover's Maestro hatchback model held even more significance for the British state-owned company than the smaller Metro model which preceded it. As Mr Mark Snowdon, responsible for marketing the Maestro, put it: "The Metro was the key to our survival. Maestro is the key to our prosperity."

Both sectors

Austin Rover viewed the Maestro as competing in both sectors of the medium car market: against the Fiat Ritmo and Cavalierized models as well as the Ford Escort/Vauxhall Astra. So far, the five-door hatchback, in seven versions—including an MG—and engines sizes of 1.3 to 1.6 litres has done well in the UK. Some 43,200 were sold in the period between launch and end of August.

But the acid test will come on the Continent, which Austin Rover is committed to regarding as part of its "home" market, and where the Maestro is only now going on sale. The huge underpinning of an important expansion next spring, with the arrival of the booted version, the LM 11 Van and estate versions should follow by the end of that year. By then, Austin Rover hopes to be achieving full economies of scale with annual output of 250,000 units.

BMW: with production continuing to rise steadily, BMW has appeared almost immune to recession. This year's launch of a new 3-series car was desperately important to the Munich maker, its predecessor having accounted for nearly 50 per cent of total sales. At the same time, BMW has taken three different approaches to engine technology: a turbo-diesel, claimed to be the world's fastest; conventional petrol units, and the "Eta" engine, a petrol unit, designed, however, to offer high power at very low engine revolutions, thus significantly improving economy.

Citroen: the idiosyncratic styling of previous models from Peugeot's subsidiary has become more muted in the BX models pitched into the medium car sector earlier this year.

Citroen's newcomer is notable in particular for its use of body panels partially in plastic, and Citroen expects to make heavy conquest sales from other manufacturers.

Celt: The new Tredia and Cordia saloons and coupes built by Mitsubishi of Japan emphasize Mitsubishi's continuing commitment to the turbo-charger, and come the closest yet to European standards of styling and performance.

Daihatsu: Just being launched in Europe, the new 1-litre Charade diesel is claimed to be the world's most economical car, with 78 mpg-plus economy at a constant 56 mph.

Datsun: Two notable newcomers are the Micra, Datsun's smallest hatchback with 1-litre capacity, and the joint car with Alfa-Romeo, sold in the UK as the Datsun Cherry Europa.

Fiat: The Uno hatchback launched in January replaced the 127 model, once Europe's best-seller.

Fiat hopes that the Uno will repeat the 127's success. But it is up against much stiffer competition, typified by General Motors Opel Corsa/Vauxhall Nova, a revamped Ford Fiesta, Volkswagen's Polo and others. To be adjudged complete victory, the Uno must sell at the rate of 450,000 a year, compared with 330,000 of the 127 at the height of its popularity.

The Uno forms part of a massive investment in new models by Fiat, requiring

\$2.5bn to be spent between 1980 and 1985. A heavily revised version of the Ritmo/Streco hatchback, including a booted model, the Regata, competing in the Escort/Golf class, has also been launched as part of a programme which will see four car "families" by 1985.

Claim leadership

Ford: following the launch of the Sierra medium saloon last year, to which has been added the 2.8 litre, 130 mph XR4i version—seen as a BMW competitor—Ford felt able to claim European car market leadership, with 12.8 per cent, by the middle of this year. Now it hopes to add a further 0.5 per cent with the launch of the Orion, a booted version of the Escort which some regard as the true successor to the Cortina rather than the Sierra.

Pitched higher up the market than Escort, the Orion is expected by Ford to sell 150,000 units a year in Europe, of which it hopes 50,000 sales will be incremental. About 40,000 a year will be built in the UK at Halewood.

Engines capacities range between 1.3 and 1.6 litres, the top model having the fuel injection engine from the Escort XR3i. It is the first car to be fitted with Ford's new Dagenham-built 1.6 litre diesel engine, and is claimed to top 70 mpg at 56 mph.

At the same time Ford has announced heavily revised versions of the Fiesta small hatchback, which will also have the diesel unit. Ford is anxious to reclaim ground lost against newer small hatchbacks. Output had dropped to 335,000 last year, from a peak of 457,000 in 1978. Next year, Ford completes its model overhaul with a Granada replacement, the Scorpio.

Honda: most significant introduction from BL's Japanese partner was the Prelude coupe, an all-new 1.8 litre car with sophisticated four valves per cylinder engine and an anti-lock braking system. Motor industry critics saw it as a good augury for the joint BL-Honda executive car due in 1985.

Jaguar: the fruit of Jaguar's biggest investment in engine facilities for 30 years has just been launched in the form of

the new 3.6 litre, six-cylinder XJ6 engine which has been fitted initially to the XJS coupe. It has very high output—225 brake horsepower—enough to propel the coupe at 145 mph; a mere 5 mph slower than the 5.3 litre V12 model, which is continued. Jaguar has also launched an XJS convertible, for which it has used conversion specialists Aston Martin Tickford and Park Sheet Metal.

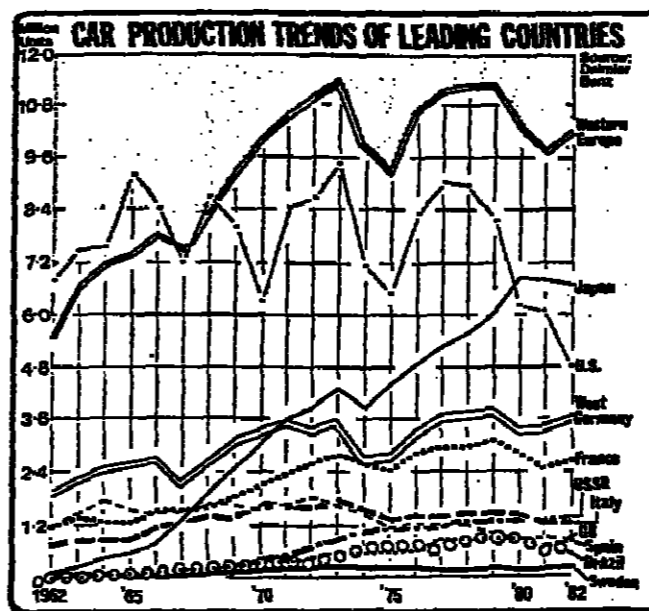
The engine will also be fitted to an all-new, and much lighter, saloon, the XJ 40, due in the mid-1980s. Jaguar's phenomenal revival over the past three years has led it to predict output of 28,500 cars this year, rising to 60,000 by the mid-1980s.

Lancia: Fiat's sporting/executive car subsidiary has been notable this year for the introduction of Volante (supercharged) versions of its coupe and HPE models. It has thus become the first manufacturer for many years to revive the concept, in which fuel mixture is forced into the combustion chamber by an engine-driven compressor, rather than one driven by exhaust gases (the turbocharger).

Lotus: now refinanced by an equity restructuring which has brought in both British Car Auctions and Toyota of Japan, Lotus is expected to expand its model range soon, while it proceeds with developing the M90, a new small sports car using Toyota running gear planned for launch in 1985 at £10,000 or under.

Mazda: earlier this year Toyota Kogyo of Japan, which makes Mazdas, introduced all new versions of its 626 medium saloons and coupes, with front wheel drive for the first time. Once again, they showed another Japanese maker meeting European competition on European terms.

Mercedes: this year, Mercedes returned to the medium saloon sector with its 190 series—though in size rather than price, which are similar to the larger 200 models. Mercedes spent DM 2bn (about £500m) bringing the new car to market—and bringing itself into head-on competition with BMW. Mercedes expects to have built about 110,000 of the end of this year, with final capacity by the mid-80s of up to 240,000 a year.



Peugeot: still losing money heavily, Peugeot is relying mainly on its 205 five-door hatchback, launched in January, to claw back market share in Europe. Despite intense competition in the sector, the 205 has been very well received, and Peugeot's hopes to produce 250,000 units annually appear increasingly feasible. Peugeot spent about £120m on new production facilities for the 205.

Summer launch

Renault: latest competitor from the French state-owned maker is the 11, launched in the summer; basically a hatchback version of the 9 saloon launched 12 months earlier. It just beat Austin Rover's Maestro to the punch in featuring a voice synthesiser. Renault, which hopes to be profitable this year after two years of losses, spent about £100m on the 11, on top of the £400m spent on the 9. The target is to produce 450,000 units a year, lifting Renault's share of the European lower-medium car sector from 9 to 15 per cent.

The 11 is also being produced in the U.S. where the 9, known as the Alliance, has succeeded better than Renault dared hope: 100,000 a year are now being built of the Alliance.

Talbot: Peugeot's struggling second subsidiary lost, rather than added, a model this year: the Tagora executive saloon was scrapped after the shortest model run in recent history. It was launched only in 1981.

Toyota: there has been a rash of new models from Japan's largest maker: the new Camry saloon; front- and rear-wheel-drive replacements for one of the world's best-selling cars, the

Corolla; an ultra-spacious estate car, the high-roofed Tercel, including a four-wheel-drive version and, most innovative of all, the Space Cruiser.

Vauxhall/Opel: General Motors' European subsidiaries saw their market share in Europe rise from 9.6 to 11.6 per cent in the first six months of this year compared with the same period of 1982. On the foundation laid by the successful Ascona/Cavalier and Kadett/Astra models has been added this year, revised Carlton and Senator saloons, Manta and Monza coupes. In addition, a "GTE" version of the Kadett/Astra has been added, praised as an equal rival to Volkswagen's Golf GTI "club car".

Volkswagen: for much of its nine-year life, the hatchback Golf was Europe's best-selling car. Thus, when VW decided it was time for Golf II, launched at Frankfurt, it could ill-afford a mistake. That Golf II in the end closely resembled its predecessor (but was far more fuel efficient—internally spacious and better specified) disappointed some who had hoped for more radical change.

VW, which is spending some \$770m on the new model, hopes to stabilise its market position against the increasingly fierce competition which has materialised in the lower-medium hatchback sector during the past two years. It hopes that when all versions are introduced, including a 130 mph GTI version which should cement VW's position at the top of the "hot" hatchback league, it will account for some 430,000 sales a year in Europe by 1986.

John Griffiths

The international top ten



General Motors: Chairman, Roger Smith; President, F. James

McDonald. Headquarters: Detroit, Michigan. Turnover: 1982 \$60bn (1981 \$62.7bn). Net profit: 1982 \$962.7m (1981 \$933.4m). Worldwide sales: 6,244,000 vehicles of which 5,932,000 were cars in 1982.

Employees: 537,000. Overseas production: Australia, Belgium, Brazil, Chile, West Germany, Malaysia, Mexico, New Zealand, Philippines, Portugal, Spain, South Africa, UK, Uruguay, Venezuela, Zaire, Associates in Japan, Colombia, Kenya and South Korea. Owns: 100 per cent of Opel in West Germany, Vauxhall in Britain, 34 per cent of Isuzu and 8 per cent of Suzuki of Japan.



Ford Motor: Chairman, Philip Caldwell; President, Donald

Petersen. Headquarters: Dearborn, Michigan. Turnover: 1982 \$37.1bn (1981 \$38.2bn). Net loss: 1982 \$657.5m (1981 loss \$1.06bn). Worldwide sales: 4.3m vehicles in 1982 of which 3.14m were cars. Employees: 379,000. Overseas production: Canada, West Germany, Britain, Spain, Australia, Brazil, Mexico, Argentina, South Africa. Owns: 25 per cent of Toyo Kogyo (Mazda).



Toyota: President, Dr Shoichiro Toyoda.

Headquarters: Toyota City, Japan. Turnover: ¥5,328bn in year to June 1983. (No comparison because Toyota Motor, the manufacturing arm, and Toyota Motor Sales were separate entities until they merged in 1982.)

Net profit: ¥228bn. Worldwide production: 3,216,154 vehicles of which 2,338,338 were cars.

Employees: 58,000. Overseas assembly/production: Costa Rica, Brazil, Peru, Australia, New Zealand, Thailand and Portugal. Potential joint venture in U.S. with General Motors.



Nissan: Chairman, Katsuji Kawamata; President, Takashi

Ishihara. Headquarters: Tokyo, Japan.

Turnover: ¥3,198bn (1981 ¥3,198bn). Net profit: ¥354bn (1981 ¥354bn). Worldwide sales: 2,759,900 vehicles in 1982 of which 2,197,759 were cars.

Employees: 58,962. Overseas production: U.S., Mexico, Australia, Peru, Italy (via joint venture with Alfa Romeo). Owns 65.52 per cent of Motor Iberica in Spain.



Volkswagen-Audi: Chairman Carl Hahn.

Headquarters: Wolfsburg, West Germany.

Turnover: 1984 DM 37.43bn (1981 DM 37.88bn). Net loss: 1982 DM 900m (1981 profit DM 136m). Worldwide sales: 2,103,607 vehicles of which 302,658 were commercial.

Employees: 239,116. Overseas production: Brazil, South Africa, U.S., Mexico, Argentina, Yugoslavia, Nigeria. Joint venture production in Japan (with Nissan) and Spain (with SEAT) soon to begin. Ownership: West German Federal Government and State Government own 44 per cent between them.



Renault: President, Director-General, Bernard Hanon.

Headquarters: Boulogne-Billancourt, France.

Turnover: 1982 FF 104.1bn (1981 FF 83.5bn). Net loss: 1982 FF 1.23bn (1981 FF 675m). Worldwide production: 1,966,709 vehicles of which about 45,000 were commercial vehicles.

Employees: 230,000. Overseas production: Manufacturing agreements in Mexico, Argentina, Colombia, Portugal and Spain. Owns 46 per cent and has management control of American Motors of the U.S. Ownership: Renault is owned by the French Government.



Peugeot SA (includes Peugeot, Citroen, Talbot): President Jean-

Paul Parayre. Headquarters: Paris, France.

Turnover: 1982 FF 75.26bn (1981 FF 72.39bn). Net loss: 1982 FF 2.26bn (1981 FF 2bn). Worldwide sales: 1,636,900 vehicles of which 652,900 sold as Peugeot.

Peugeots, 378,700 as Talbots and 66,300 as Citroens. Overseas production: Spain, UK, Ireland, Nigeria, Chile, Italy, Portugal.

Employees: 208,000.

Ownership: Chrysler of the U.S. owns 14 per cent, Michelin 9.2 per cent and the Peugeot family 37 per cent.



Fiat Auto: Chairman Umberto Agnelli, Managing director Vittorio

Ghidella. Headquarters: Turin, Italy.

Turnover: 1982 L10,433bn (1981 L9,578bn). Net loss: 1982 L30bn (1981 loss L254.5bn). Worldwide sales (including Lancia and Autobianchi): 1,53m.

Employees: 128,000. Overseas production: Brazil, cars made under licence in Argentina, Yugoslavia, Romania and Spain.

Ownership: The company is a subsidiary of Fiat SpA.



Toyo Kogyo: President, Yoshiki Yamasaki.

Headquarters: Hiroshima, Japan.

Turnover: 1982 ¥1,180bn (1981 ¥1,183bn). Net profit: 1982 ¥25.4bn (1981 ¥19.5bn). Worldwide production: 1,110,104 of which 824,347 were cars.

Employees: 27,513.

Ownership: Ford has a 25 per cent shareholding.



Honda: Chairman, Hideo Sugiura, President, Tadashi Kume.

Headquarters: Tokyo, Japan.

Turnover: 1982 ¥2,330bn (1981 ¥1,893bn). Net profit: 1982 ¥72.2bn (1981 ¥65.89bn). Worldwide production: 1,115,000 cars and 3,661,000 motorcycles.

Employees: 46,238.

Overseas production: Cars assembled in Portugal, New Zealand, Indonesia, Malaysia, Costa Rica, Taiwan, South Africa and by the UK independent manufacturers. In U.S. by Honda's own company. Motor cycles assembled by associates or subsidiaries in 36 countries.

Source: for Top Ten ratings: Automotive News Data Book.

Embarrassment of choice for the potential buyer

When looking at the 1983 model crop and deciding which to describe from the test drivers—or potential buyer's—viewpoint one is aware of an embarrassment of choice. There has never been a year like it for the number and quality of new cars, not all of them yet available in Britain. The year began well with the near simultaneous announcement of two small cars that are both possible winners of the Car of the Year 1984 Award. The Fiat Uno combines astonishingly good aerodynamics with lots of headroom, a softly comfortable ride, good handling and an attractively low price. The Peugeot 205 is in the same size and price class, has a similar cross-engine, front-drive layout and is equally important to Peugeot's short-term future as Uno is to Fiat's.

Both Fiat and Peugeot ride so well—and use so little fuel—that they weaken the case for having a medium-sized car. Much the same can be said higher up in the pecking order. The BMW 3-series—soon to be available in Britain with four doors—and the Mercedes-Benz 190 are compact luxury cars, roughly Ford Sierra-sized, but offering the refinement and performance of bulkier executive models. Neither is recommended for constant use as a four-seater though back seat space is not as inadequate as the big car brigade make out. The six-cylinder BMW is, perhaps, marginally more refined mechanically, especially at speed, but the Mercedes 190's rear suspension sets standards of roadholding, handling and ride comfort that other makers can only envy.

In early Spring, Maestro came on the scene to create a favourable impression on family drivers—and fleet buyers alike. Its immense "greenhouse" makes visibility and interior lightness better than in most class rivals. Having to cut its coat according to their cloth, BL used engines that had been around for a long capacity, and the joint car with Alfa-Romeo, sold in the UK as the Datsun Cherry Europa, the rate of 450,000 a year, compared with 330,000 of the 127 at the height of its popularity.

The Uno forms part of a massive investment in new models by Fiat, requiring

Gear changing

Another kind of large estate car became available in Britain during the year. This was the Audi Avant, a five-door version of the Audi 100. As a high-speed motorway cruiser, it is fine, but five-speed manual gearbox with ultra-high tops are not so good in town or on crowded non-motorway roads. The constant need to change down to third or even second for overtaking becomes wearisome yet the extreme economy benefits of the manual Audi 100 or Avant are lost by opting for 3-speed automatic transmission. This is where BMW have left their competitors standing.



The Audi Turbo seats five, has a large boot and can top 140 mph. Yet the five-cylinder engine is only 2.2 litres

Few cars I have driven this year have impressed me more than the BMW 525e, with a 2.7 litre engine producing massive torque at low revolutions, linked to a four-speed automatic that gets into high gear as quickly as possible. The 525e gives almost diesel car fuel economy with completely normal two-pedal driveability and refinement. The bigger 6-series and 7-series BMWs use similar automatics and offer remarkable fuel economy without detriment to driving pleasure. Hedging its bets, BMW also has a turbo-diesel currently unmatched for speed, acceleration and silence.

Renault's 11 is a more interesting car than the 9 on which it is based and its appeal has just been increased by the availability of 1.7 litre engine versions, capable of well over 100 mph. The mid-size hatchback class has been swollen during the year by some admirable newcomers. The Alfa 33, with Alfaud mechanicals and a body showing a family resemblance to the Alfetta, has the Sud's get up and go with more space and sophistication. The new VW Golf—due in Britain next Spring—is formidably good in every respect, a major improvement on the existing Golf even though it doesn't look at all that different.

The Citroen BX five-door hatchback brings traditional Citroen sophistication to a car that is keenly priced and has conventional, though supremely good, handling. At the top end of the VAG range, the Audi 200 Turbo is phenomenally fast —

a maximum of 143 mph and an easy autobahn cruising rate of two miles a minute—yet offers the possibility of 30 mpg fuel consumption. It is a marvellous car to drive in Germany, but a constant source of temptation over here. Much the same may be said, of course, of any really fast car today. There is nothing intrinsically dangerous in driving on a motorway at three-figure speeds but the law takes an increasingly tough line on such goings on.

The Audi 200 Turbo's super-car top speed and acceleration come from a five cylinder engine that, in relation to body size, is very small. The large multi-cylinder engine of four or five litres capacity is looking increasingly redundant. The only European manufacturers still to use them in volume produced cars are Jaguar, Mercedes-Benz and Porsche. Rolls-Royce do, too, but theirs is a special case.

Jaguar's new six-cylinder engine—in effect, it is half a V12—almost matches the performance and refinement of the multi-cylinder unit.

Three final impressions of a still not quite complete year's motoring. First is the improvement that putting a boot on a hatchback provides in terms of noise reduction and a general growing-up of the product. The Ford Orion, Lancia Prisma, Fiat Regata and Volvo 360 saloon all make the point. The LM11 will, it appears, carry over, be an even nicer car than the hatchback Maestro. Of this I am convinced.

Secondly, four wheel drive has made immense strides in 1983. The Audi 80 Quattro now partners the Quattro turbo coupe and brings extreme

security on wet roads, plus the ability to tackle snowy or muddy cars. The Quattros have permanent four-wheel drive, at a price companies can contemplate spending on middle management's next all-wheel drive. For those with more modest requirements, the Subaru, Toyota Tercel Estate and Fiat Panda bring 4x4 traction when it is needed at modest, indeed minimal, expense. As the safety and convenience benefits of four wheel drive, be it permanent or on demand, become wider known, more manufacturers will introduce them into their model ranges.

Sheer finesse

Finally, the Japanese. Many of the cars that have impressed me most favourably in 1983 have been Japanese. The Nissan Micra and the Daihatsu Charade are super-minis that stand comparison with any of their kind for style, performance, economy and sheer finesse. If they lag in any respect behind European cars, it is in ride comfort, which is about the only area of car design in which the Japanese still have something to learn. The new Toyota Corolla: its larger brother, the Camry; the outstanding new Mazda 626; Honda's Prelude (soon to be joined by three new versions of the Civic); the automatic Subaru 4x4 estate. These are the kind of cars that would make sweeping gains in the British market—among private buyers especially—but for the gentlemen's agreement limiting Japanese penetration to around 11 per cent.

Stuart Marshall

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Demand for fuel economy has intensified the petrol v. diesel argument

Manufacturers tend to keep engine options open

WITHIN THE past month, three cars have been announced which for the first time show a fuel consumption of more than 70 miles per gallon in the most favourable of the UK Government's economy tests: that at a constant 56 miles per hour.

Ford Fiesta diesel (74.3 mpg at 56 mph; 58.5 mpg on the urban cycle); Ford Orion diesel (72.4 mpg at 56 mph; 51.4 mpg urban) and, most economical of all, the 1-litre Daihatsu Charade Diesel (78.47 mpg at 56 mph; 58.85 mpg urban), all appear to lend strength to forecasts that by the 1990s or even earlier at least 10 per cent of all cars produced will be diesels.

According to the predictions of consultants Planning Research + Systems, the percentage could be marginally higher by as early as 1988, with output of diesel cars just in the U.S. and Europe growing from 1.55m in 1978 to 2.5m by 1988, out of total world car production of about 30m. P.R. + S's figures exclude Japan, where diesel car output had grown from 44,000 in 1978 to 214,000 last year, even before the new small Daihatsu diesel was launched. Daihatsu itself has had trouble keeping up with demand for its diesel mini, which is rapidly assuming "cult" car status in Japan.

Emotive question

Yet the diesel v petrol argument remains an emotive one within the industry. Manufacturers are by no means convinced that as, in the long term, prices of both diesel and petrol rise, the economy advantage currently enjoyed by the diesel will lead eventually to its domination over the petrol engine.

Behind their view lies the progress being made in making the petrol engine itself much more economical, by the adoption of sophisticated electronic engine management systems such as fuel injection and mixture management, over-run fuel cut-offs and similar features. This has led to smaller, 1.6 litre cars with fuel

consumptions in the region of 60 mpg at 56 mph — although their performance in the urban cycle is considerably worse. It is under part-load conditions that the diesel is at its best.

But the industry is also approaching the threshold of a revolution in car design, which will require a completely new technique from the driver.

It takes the form of continuously variable transmissions — CVTs — which, in their most sophisticated form, could close the existing fuel economy gap between petrol and diesel engines.

An improvement in petrol consumption of 25 per cent or more is considered to be attainable by using such a CVT, particularly if linked to the engine via a mini computer capable of keeping engine revolutions in the optimum fuel economy range irrespective of load or speed.

If this can be achieved — though really sophisticated engine/transmission matching is not expected before the late 1990s — the diesel could look much less attractive.

For the diesel's current main disadvantage vis-à-vis the petrol engine, considerably poorer performance per cubic centimetre of capacity, remains; even if it has been reduced by the introduction of high-revving lightweight diesels such as that fitted in the Volkswagen Golf and Daihatsu.

Diesels have already been shown to be particularly sensitive to fluctuations in fuel prices. Sales of such cars in the U.S. fell by 48 per cent in the six months up to April, compared with the same period of 1981-82, and now account for less than 3 per cent of the total new car market.

Stable or falling fuel prices, the higher initial purchase price of a diesel — typically 5 to 8 per cent compared with the equivalent petrol version — and, in the case of domestic producers, customer disappointment with performance, reliability and servicing costs, have all dealt the diesel a severe blow in the U.S.

Its performance in Europe has been markedly better. Diesels account for 20 per cent of the market in West Germany, 15 per cent in France and 12 per cent in Italy. But a large factor in their popularity is that fuel prices are much higher than in the U.S., and in most countries of Europe there is a strong taxation differential in favour of diesel fuel (it is 40 per cent of the price of petrol in Italy).

Disadvantages

The diesel has other disadvantages: it is noisy on start-up, its very high compression — double that of a petrol engine — requires oil to be changed more frequently, and its fuel is both sticky and smelly.

In short, since the only reason for most purchasers to opt for diesel is economy (and if a petrol engine/cvt combination could match it), the incentive would be much reduced.

The first generation of CVTs, albeit without "black box" control, is soon to appear. Both Fiat's Uno and Ford's Fiesta are likely to have them by early next year; supplied by the Van Doorne company of Holland, which pioneered a CVT system on the Daf, Ford, Fiat and Van Doorne may set up a joint plant to expand manufacture of the units if they are a success. Also, General Motors is to start building them for larger cars at its Strasbourg, France plant from 1985 — an enterprise on which GM is spending \$180m. Fiat, which had been planning to build its own CVT, is one of GM's first customers. The Strasbourg unit is suitable for cars with engines of 1.6 to 2 litres.

The units are also expected to go into GM's own Opel and Vauxhall cars, as well as being offered for sale world-wide. One of the handicaps they will have to overcome, however, is the impression that they are "automatic" gearboxes — firmly entrenched in most drivers' minds as being less economical than manual transmissions.

For this reason, manu-

facturers are likely to promote them as "fuel economy" units, and hope to render the term "automatic" obsolete.

GM itself is expected to use some Van Doorne components. Ford claims that the transmission has already been shown to be more economical than a five-speed manual gearbox. It has 20 prototypes fitted with the transmission, called the CTX.

Renault and Volkswagen are also working on a similar transmission for small cars, which could also be in production from 1985 onwards.

In theory, the best of both worlds might be achieved by mating diesel units to CVTs, but the high mechanical losses inherent in CVTs — which the relatively high specific power of a petrol unit can offset, and still gain a big economy advantage if operating in its optimum range — stands to make the ultimate performance of a diesel-equipped version unacceptably poor.

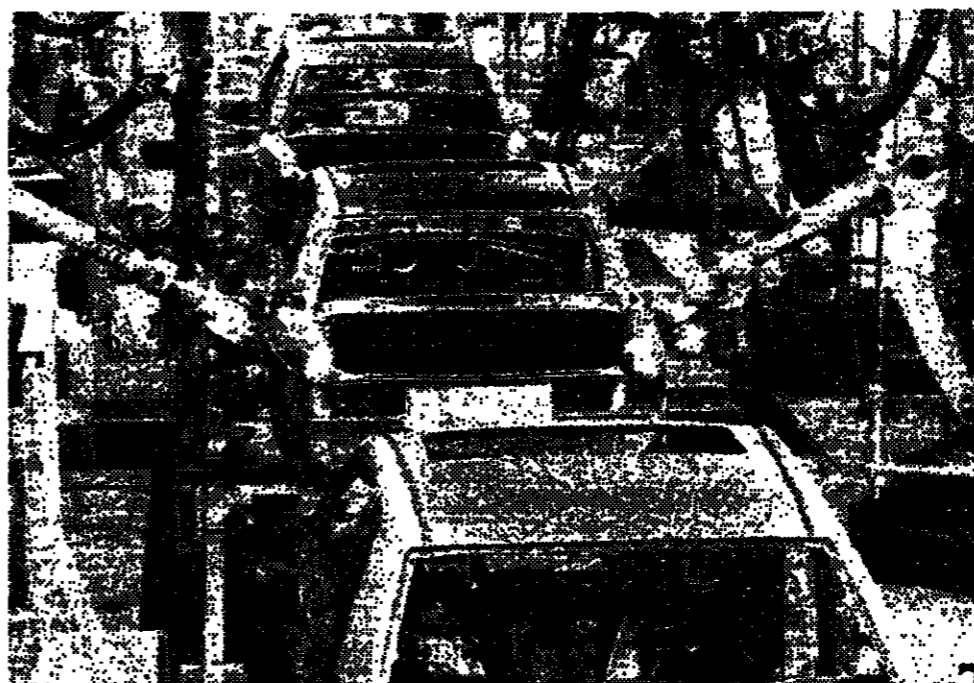
Still unknown is whether this picture could change with the introduction of the next generation of diesel engines, using direct fuel injection. So far, only Austin Rover and Perkins have made a commitment jointly to produce such an engine, expected to go into production in 1985. If all goes according to plan, it should be both more powerful and about 15 per cent more economical than existing diesels.

Meanwhile, Ford has just become the latest volume manufacturer to enter diesel manufacture, with its £140m investment in Dagenham to produce initially 150,000 1.6 litre car diesels a year.

With differential taxation regimes in Europe unlikely to alter significantly, Ford can expect — as with GM, which launched its own light car diesels some months earlier — its output to be readily absorbed.

But given all the uncertainties, it is not surprising that Ford, like all other makers, is keeping all its engine options open.

John Griffiths



Fully-automated spot-welding equipment on the Mercedes-Benz 190/190E assembly line at Daimler-Benz's Sindelfingen plant

Robots about to enter interior assembly

MORE SLOWLY, but inexorably, robots are advancing towards the last areas of car production and assembly on which hitherto they have been unable to encroach.

The most labour-intensive area of manufacture now is that relating to interior trim and fittings. Many of the assembly items involved, such as seating, are pliable and thus do not lend themselves easily to robotic handling.

But Fiat feels it may not be alone in thinking that the pre-assembly of interiors into modules for installation by robots is one feasible option.

Motor industry robots have come a long way even from Fiat's much-publicised "robogate" system which began automatically welding Ritmo/Strada hatchback bodies together in the late 1970s.

At Austin Rover's Cowley plant in the UK, one set of robots is being used to "sniff" for leaks as part of the water-proofing process on cars; a "seeing" robot developed by Coman, Fiat's robot-producing division,

can "look" at the holes where a car's door hinges need to be fitted, "feel" for the bolts — and unerringly attach the hinges to the door.

Just prior to the launch of its Golf II model, Volkswagen disclosed the secrets of Wolfsburg's Hall 54, where 250 robots have cut the final assembly time for Golf II by 11 per cent — to 13 hours and 20 minutes — compared with the less advanced assembly techniques used for the old model.

The hall and its facilities cost Volkswagen some \$355m. But the tasks which VW's new crop of robots undertake leave manual workers, says VW, with not much more to do than connect up wiring and hoses and adjust the gear-lever.

And Volkswagen is far from finished yet: it still plans to double its existing robot population, to 2,000, by the year 1990.

Similar programmes are under way at virtually every major motor manufacturing plant.

Under the latest project to be announced, Ford in the UK is

to spend £74m to turn its Transit van plant at Southampton into what it says will be one of the most highly automated commercial vehicle assembly plants in Europe by the end of 1985. It involves the installation of 80 robots, together with 50 programmable welding units.

In Europe, such robotisation is being carried out under two main pressures arising from Japan.

Quality edge

Unable to beat the Japanese on prices or labour productivity, European manufacturers need the further improved production quality offered by robotics, to maintain a quality edge on which, allied to more sophisticated engineering, they can successfully command a price premium.

They also need to automate further, and if possible faster, than the Japanese in an attempt, if not to close, then at least to maintain or even reduce the labour productivity gap.

Certainly in terms of overall

productivity, the strategies have been working. In its three Continental plants Ford, for example, has extracted an extra capacity of 200,000 cars a year, thanks to increased automation as well as improved work practices.

The latest generations of robots are taking one stage further the transformation which is taking place in the ability of all major manufacturers — and even those producing 1m cars a year or fewer — to respond to changes in type and volume of demand for their products, without incurring undue production line upheaval or being forced to make capacity idle.

With the new, flexible manufacturing facilities now commonplace, different types and sizes of car can be run down the same line without difficulty, with computerised component inventory systems delivering a wide mix of parts for a variety of cars to precisely the right point in the assembly process at precisely the right time.

But the very success of such facilities is, ironically, leading to problems — at least for the volume manufacturers. Their cost continues to be enormous, but their effectiveness is contributing to the over-capacity which already stands at about 1m cars a year in Europe. So, with excess labour costs already stripped out, the interest investments require plants to work at higher capacity levels to reach break-even point, thus increasing sales pressure in the marketplace with the attendant risks of widening the discounting war which has already ravaged the UK market.

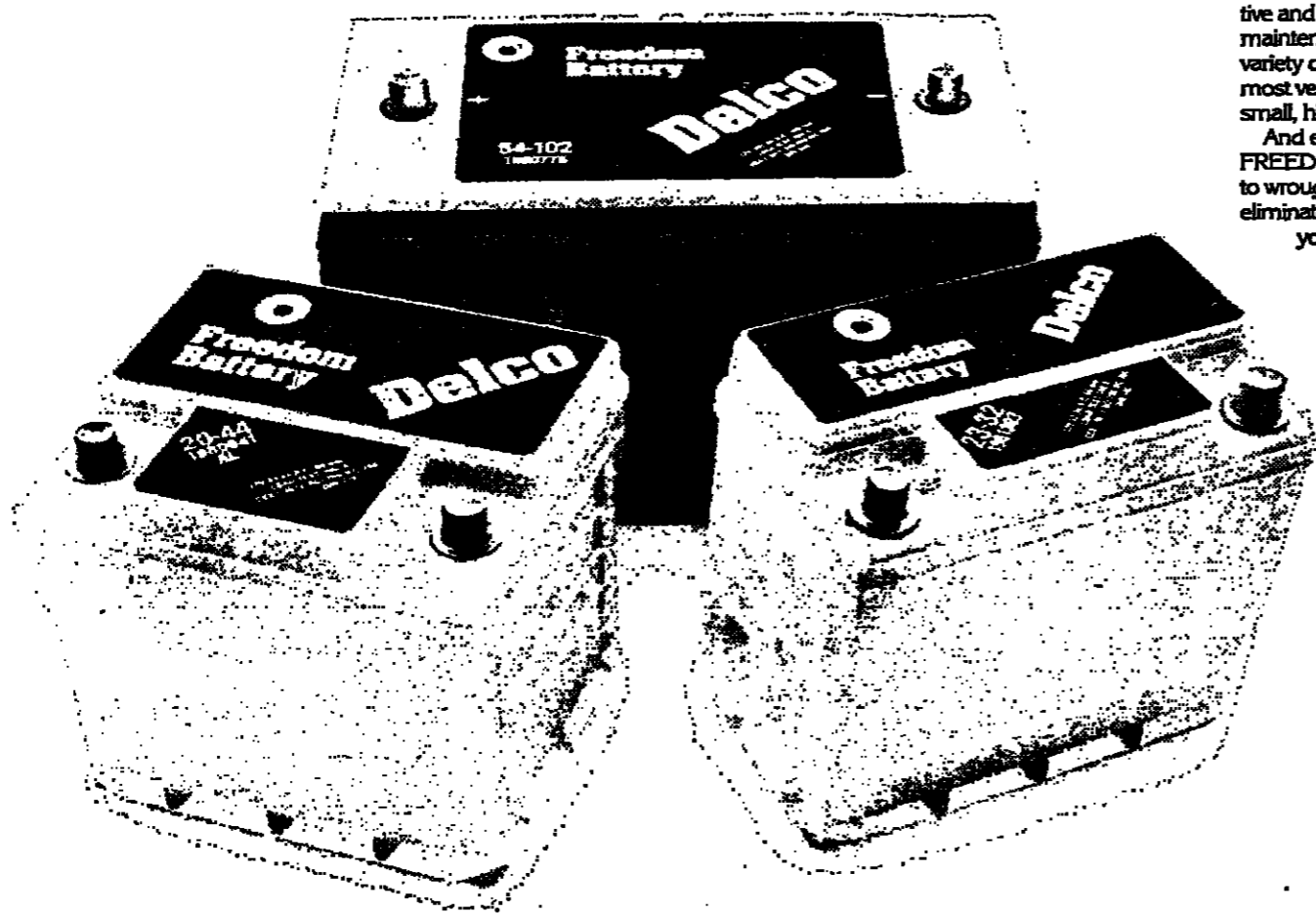
And if that is a worrying prospect for manufacturers, the situation is no brighter for those who work in the industry. The motor industry was once the creator of jobs, certainly in early post-World War II years. Now, however, even if car demand recovers sharply, that role can no longer be maintained.

One executive at Fiat suggests that, even if Fiat were to double output over the next decade, the improvements in automation and productivity would be such that there would probably be a net fall in jobs of 1-2 per cent per annum over the same period.

Similar conclusions have been reached in research being carried out by the Massachusetts Institute of Technology's "Future of the Automobile Programme". It concludes that employment in the motor industry at best will remain static over the next 20 years. At worst, there could be job losses of up to 37 per cent among all the world's principal manufacturers.

J. G.

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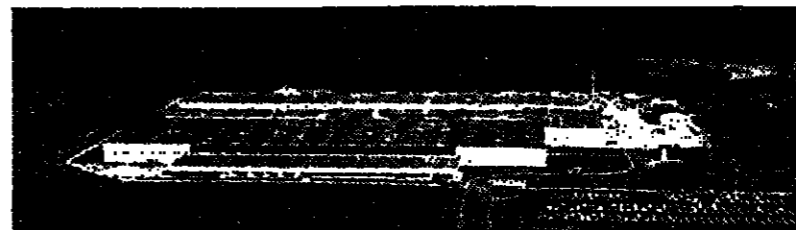
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THE MOTOR INDUSTRY VIII

Labour efficiency success faces new challenge

IT IS remarkable that industrial relations and labour efficiency were fully recognised only recently as a crucial competitive factor among the world's motor manufacturers. The second oil crisis and the growing Japanese challenge of the late 1970s thrust them to centre-stage, where they remain: Western systems are under immense pressure to adapt to rapid industrial change.

For some managements, the challenge lies in sustaining the last three years' gains as they recover. Against a background of heavy job losses and union weakness, companies in three major countries won substantial concessions from their workforces.

● In the U.S., the United Auto Workers agreed to more than \$400 in wage-and-benefit concessions in 1980 and 1981, including forgoing pay rises due under cost-of-living formulas. Working practices have changed at plant level, allowing employees to cover a wider variety of tasks.

● Italy's turbulent industrial relations reached a turning point in 1980, when a want-to-work march by 40,000 Fiat employees forced unions to call off a five-week strike at Turin. The group's productivity has since risen by more than 40 per cent and the defeat of the militants has led to similar efficiency gains at state-owned Alfa Romeo following new working agreements early last year.

● In Britain, state-owned BL transformed working practices by a series of do-or-die ultimatums as it slashed its workforce, introduced robots and streamlined management systems. General Motors' subsidiary Vauxhall, recovering rapidly from a deep slump, has raised productivity and quality to European levels while disputes have fallen sharply.

Employment in the motor industries of the capitalist world's seven main vehicle-producing countries fell by half a million between 1978 and 1981 to about 3.5m and has since stabilised. It has returned roughly to its 1970 level, after peaks in 1973 and 1978-79. This, however, masks a sharp

change in relative shares of jobs between nations in the late 1970s. As competition bit between 1979 and 1981, employment fell by 23 per cent in Britain and by 26 per cent in Italy and the U.S.—and the decline continued over the past two years.

Japan's startling productivity growth is illustrated by the fact that its share of total employment in the main countries increased only slightly—from nearly 18 per cent in 1970 to less than 22 per cent in 1981—while its share of vehicle output soared from 22 to nearly 39 per cent.

Uncertain prospects

Prospects for world employment do not seem bright. "The Future of the Automobile Program," a project based at Massachusetts Institute of Technology, is expected to publish research forecasting that employment will either stagnate or fall by up to 37 per cent over the next 20 years. Growth in demand forecast at about 2 per cent a year would be wiped out by productivity improvement within a range of 2 to 4 per cent.

Trade unions are worried about further job losses, not only from increased automation and streamlined work organisation. In Europe there are too many plants, particularly in the depressed lorry business; in the U.S., foreign sourcing of components is on the increase.

Against that background, managements have to develop industrial relations systems capable of adapting to changing technology and heavier emphasis on quality. The skill level of their workforces must be improved at a time when, because of stagnating employment, they cannot take on more highly trained workers from outside.

In the U.S., the number of workers in the motor industry fell by 34 per cent from a peak of over 1m in 1978 to 688,000 in 1982, and the numbers called back from indefinite lay-off this year have not matched the rise in production. The Chrysler deal reinstates cost-of-living rises and removes the newly

plant efficiency are finally paying off in higher sales and profits: the industry is approaching \$50m in profits this year after combined losses of \$5.2bn between 1980 and 1982. The problem for managements is to dislodge the United Auto Workers Union from demanding back all the things it gave away in the hard times.

The union won a substantial wage increase at the recovering Chrysler earlier this year. Mr Owen F. Bieber, UAW president, said of the next round of talks which get under way at Ford and General Motors next year: "I'm going to fight like hell to see that our members get their fair share."

Some senior UAW figures, however, do not want to be seen as setting back the industry's recovery, and would be prepared to see a modest deal tying wages to profits, in return for improved job security and retraining. They realise that the industry will demand further improvements in working practices.

Productivity has improved: Ford claims the hours taken to make a vehicle in North America fell by 15 per cent between 1980 and 1982. But the industry is still struggling to match foreign manufacturers on efficiency, quality and price. Executives talk of needing to improve productivity by 10 per cent a year to beat the Japanese, whose labour costs are nearly 50 per cent below those in the U.S.

The crisis bargaining of the past three years has radically altered the U.S. tradition whereby labour bargained on terms and conditions and kept its nose out of management's running of the business. Wages have become more directly tied to the company's performance; plant-level changes in working practices have brought greater variation around central contract terms; more extensive worker participation programmes have been introduced.

Whether this change will endure remains to be seen. Piece-meal changes in a cohesive industrial relations system are difficult to make. The Chrysler deal reinstates cost-of-living rises and removes the newly

introduced profit-sharing plan. It shows that considerable loyalty to traditional mechanisms still exists among workers.

Throughout Western countries, aspects of the Japanese system have been adopted piecemeal in a drive to close the productivity gap—quality circles, worker flexibility, low stocks. Companies believe these have already yielded benefits, but how far this can go without a complete change of industrial philosophy has not yet been fully tested.

What has also not been fully explored is an apparent conflict between the two main lessons Westerners draw from the Japanese experience: for some, Japan's success rests on the low level of union involvement in company affairs, and underlines the need for management to reassert its right to manage; for others, Japan depends on employee co-operation and social consensus.

Assertiveness

The new assertiveness of British and Italian managements exemplifies the former pattern. Other observers believe it better to avoid these oscillations of power by adopting systems of institutionalised co-operation like the West German one, with stable sector-level bargaining, strong statutory rights of employee involvement on works councils and legal limitations on strikes.

Certainly Germany has responded to the Japanese challenge better than most, maintaining stable employment while embarking on large scale automation, and offsetting its high wage costs by avoiding strikes, meeting production targets, raising skills levels and making workers more flexible.

But Germany is Germany. Emulating its success poses exactly the same problem as matching that of the Japanese: its system works because it is cohesive. For the foreseeable future, the West's industrial relations systems seem set to remain diverse.

Brian Groom



A "finite element analysis" programme on Austin Rover's Maestro—part of the advanced computer-aided systems used on the project.

Wider implications of electronics

"DESIGNED BY computer. Built by robots. Driven by a moron." So said a jolly sticker on one car I followed recently. An admission perhaps of the driving skills of one motorist but also an acceptance that vehicle manufacturers owe a lot to the electronics industry these days.

Electronics, for so many years, have been promising to pervade the automotive industry. Certainly, there are many areas in the manufacture of vehicles where electronics play an important part. Computers often control the final testing of vehicles, measuring the performance of an engine, and the effectiveness of the braking system; while one-armed robots stand in regimental rows along the assembly lines.

It is now common for car manufacturers to have computerised ordering of car parts, British Leyland's system, which allows dealers to order parts by phone and talk directly to the computer through a voice recognition and synthesis system, is probably the best known in this field.

Even in the field of car maintenance and repair, BMW broke new ground when it introduced a microprocessor - controlled fault diagnosis system. The company expects that from 1986 onwards its cars will require 40 per cent less maintenance than is needed now, with an interval between servicing—excluding

oil changes—of up to 50,000 kilometres.

BMW's estimates are based on work carried out on computerised test vehicles in which cars diagnose their own faults and bypass them, if necessary, with fail-safe systems.

Computers based at service outlets will take information from the car's microprocessor and evaluate the degree of wear in all main components and how long they are likely to last without servicing. The first car to be fitted with the system will be the new large Series 7 planned for 1986-87.

Such a system will overcome many of the problems already associated with traditional servicing, such as asking the driver to explain any defects or the need for test drives to assess a particular problem. To diagnose such faults sensors are fitted on many major components from brakes to spark plugs and shock absorbers. These give different types of signals and the computer is able to convert this into digital information for processing.

This is probably one of the major areas in which electronics is providing a useful, rather than cosmetic addition to vehicle design. Many manufacturers are now well advanced with engine control systems.

It is often easy to forget that the car provides one of the worst working environments for

electronics, requiring as much thought as the electronic systems which took the first men to the moon. Vehicle electronics have to withstand the vagaries of the weather in any country in the world.

In the engine compartment they have to survive very high temperatures which are otherwise usually to be found only in aerospace or military applications. Yet, unlike equipment for those special applications, car electronics has to be very cheap and mass producible.

Electronics in engine management poses some interesting problems for the designer. To be effective, such systems have to take in information via sensors from the air intake and exhaust, and measure outside temperature.

Parameters
Using the known parameters of an engine stored in the digital memory of a small microprocessor and the data from the sensors, it is possible to optimise engine performance. Many car makers are working on such systems.

General Motors were the first to introduce the so-called trip computers. These are tiny computers which are electronic versions of the speedometer but giving far more information about distance travelled, fuel consumption and estimated time of arrival. Electronics has

probably made its greatest inroads on the dashboard with the replacement of the old mechanical dials by digital equivalents.

The greatest impression has been made on the most expensive models within manufacturers' ranges. For example, Renault introduced a remote control locking system in its most expensive 20 and 30 series models. This device uses a special keyring incorporating a matchbox-sized transmitter which emits infra-red rays. The transmitter uses three 1.5 volt batteries and the system is activated by the driver pressing the transmitter in sight of the dashboard-mounted receiver.

Safety is an important area in which manufacturers have set their sights on electronic solutions. These range from anti-lock devices which ensure that brakes are not applied so quickly that the car might skid out of control in bad weather conditions to radar warning systems. Companies such as Mercedes, BMW and Honda are involved closely in anti-skid systems.

Further away from the market is car radar. However, Nissan has demonstrated with its Research Vehicle II—which is based on the current Sunny—the present state of vehicle radar technology. Nissan has coupled its cruise control—which sets the cruising speed—to a radar system.

This measures the distance between the car and the vehicle ahead and decides if the speed between the two is too small for safety at a given speed. The computer interrupts the cruise control and a computer voice warns the driver of the danger and shows the car to a safe distance.

The system is also backed up by anti-skid braking and Research Vehicle II also takes voice computers in cars a step further than that shown on the BL Maestro. It can actually recognise a vocabulary of 88 words spoken by the driver. The voice system can then turn on lights, or move wing mirrors at the command of the driver's voice.

The Nissan research car also has a drowsiness monitor which apparently measures brain wave patterns and can tell if the driver is likely to nod off at any moment. If he shows signs of doing so the computer flashes lights, sounds a buzzer and tells the driver to slow down or stop.

It even has an on-board drive information system which allows the driver to enter the starting and finishing routes of a planned drive and the computer will indicate which turns should be made and when.

Elaine Williams

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AND FOR THOSE WHO DO.

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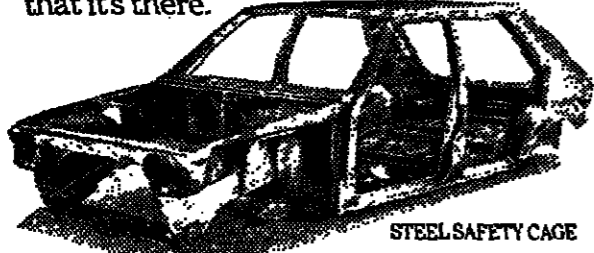
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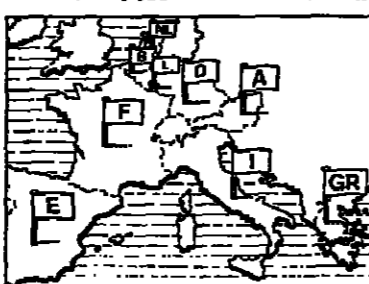
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